

**ATTACHMENT A**  
**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

**Updated IRS Tax Loss Calculations**  
**IRS Forms 4549-A, Income Tax Examination Changes**

## Government's Sentencing Memorandum

Attachment A, Page 1 of 7

|  |  |   |                                   |
|--|--|---|-----------------------------------|
| <b>Form 4549-A</b><br>(Rev. March 2013)            | Department of the Treasury-Internal Revenue Service<br><b>Income Tax Examination Changes</b><br>(Unagreed and Excepted Agreed) |   | Page <u>1</u> of <u>4</u>         |
| Name and Address of Taxpayer<br><br>WINSTON SHROUT |  | Taxpayer Identification Number<br><div style="background-color: black; color: black;">[REDACTED]</div> - 3573 | Return Form No.:<br>1040          |
|  |  | Person with whom examination changes were discussed.  | Name and Title:<br>WINSTON SHROUT |

|  | Period End<br>12/31/2009 | Period End<br>12/31/2010 | Period End<br>12/31/2011 |
|--|--------------------------|--------------------------|--------------------------|
| <b>1. Adjustments to Income</b>  |                          |                          |                          |
| a. Pensions and Annuities  | 15,018.00                | 15,018.00                | 15,018.00                |
| b. Sch C1 - Gross Receipts or Sales  | 57,399.00                | 41,600.00                | 69,297.00                |
| c. SE AGI Adjustment   | (4,055.00)               | (2,939.00)               | (4,895.00)               |
| d. Standard Deduction  | (5,700.00)               | (5,700.00)               | (5,800.00)               |
| e. Exemptions  | (3,650.00)               | (3,650.00)               | (3,700.00)               |
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| n.   |                          |                          |                          |
| o.   |                          |                          |                          |
| p.   |                          |                          |                          |
| <b>2. Total Adjustments</b>  | 59,012.00                | 44,329.00                | 69,920.00                |
| <b>3. Taxable Income Per Return or as Previously Adjusted</b>  | 0.00                     | 0.00                     | 0.00                     |
| <b>4. Corrected Taxable Income</b>   | 59,012.00                | 44,329.00                | 69,920.00                |
| Tax Method   | TAX TABLE                | TAX TABLE                | TAX TABLE                |
| Filing Status  | Married Separate         | Married Separate         | Married Separate         |
| <b>5. Tax</b>  | 10,944.00                | 7,263.00                 | 13,614.00                |
| <b>6. Additional Taxes / Alternative Minimum</b>   |                          |                          |                          |
| <b>7. Corrected Tax Liability</b>  | 10,944.00                | 7,263.00                 | 13,614.00                |
| <b>8. Less</b>   |                          |                          |                          |
| a. Credits   |                          |                          |                          |
| b.   |                          |                          |                          |
| c.   |                          |                          |                          |
| d.   |                          |                          |                          |
| <b>9. Balance (Line 7 less total of Lines 8a thru 8d)</b>  | 10,944.00                | 7,263.00                 | 13,614.00                |
| <b>10. Plus</b>  |                          |                          |                          |
| a. Self Employment Tax   | 8,110.00                 | 5,878.00                 | 8,511.00                 |
| b. Other Taxes   |                          |                          |                          |
| c.   |                          |                          |                          |
| d.   |                          |                          |                          |
| <b>11. Total Corrected Tax Liability (Line 9 plus Lines 10a thru 10d)</b>  | 19,054.00                | 13,141.00                | 22,125.00                |
| <b>12. Total Tax Shown on Return or as Previously Adjusted</b>   | 0.00                     | 0.00                     | 0.00                     |
| <b>13. Adjustments to:</b>   |                          |                          |                          |
| a. See Attached  | 400.00                   | 400.00                   |                          |
| b.   |                          |                          |                          |
| c.   |                          |                          |                          |
| <b>14. Deficiency-Increase in Tax or (Overassessment - Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 13a through 13c)</b> | 18,654.00                | 12,741.00                | 22,125.00                |
| <b>15. Adjustments to Prepayment Credits-Increase (Decrease)</b>   |                          |                          |                          |
| <b>16. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15) (Excluding interest and penalties)</b>                           | 18,654.00                | 12,741.00                | 22,125.00                |

## Government's Sentencing Memorandum

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|  |  |  |                                 |                           |
|--|--|--|---------------------------------|---------------------------|
| Form <b>4549-A</b><br>(Rev. March 2013)  | Department of the Treasury-Internal Revenue Service<br><b>Income Tax Examination Changes</b><br>(Unagreed and Excepted Agreed) |  |                                 | Page <u>2</u> of <u>4</u> |
| Name of Taxpayer<br>WINSTON SHRÖUT   |  | Taxpayer Identification Number<br>- 3573 |                                 | Return Form No.:<br>1040  |
| <b>17. Penalties/ Code Sections</b>  | <b>Period End</b><br>12/31/2009  | <b>Period End</b><br>12/31/2010          | <b>Period End</b><br>12/31/2011 |                           |
| a.   |  |  |                                 |                           |
| b.   |  |  |                                 |                           |
| c.   |  |  |                                 |                           |
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| k.   |  |  |                                 |                           |
| l.   |  |  |                                 |                           |
| m.   |  |  |                                 |                           |
| n.   |  |  |                                 |                           |
| <b>18. Total Penalties</b>   |  |  |                                 |                           |
| Underpayment attributable to negligence: (1981-1987)<br>A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed. |  |  |                                 |                           |
| Underpayment attributable to fraud: (1981-1987)<br>A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.      |  |  |                                 |                           |
| Underpayment attributable to Tax Motivated Transactions (TMT).<br>Interest will accrue and be assessed at 120% of underpayment rate in accordance with IRC 6621(c).    | 0.00   | 0.00                                     | 0.00                            |                           |
| <b>19. Summary of Taxes, Penalties and Interest:</b>   |  |  |                                 |                           |
| a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)  | 18,654.00  | 12,741.00                                | 22,125.00                       |                           |
| b. Penalties (Line 18) - computed to 10/01/2018  |  |  |                                 |                           |
| c. Interest (IRC § 6601) - computed to 10/22/2018  | 6,499.84   | 3,806.65                                 | 5,631.42                        |                           |
| d. TMT Interest - computed to 10/22/2018 (on TMT underpayment)   | 0.00   | 0.00                                     | 0.00                            |                           |
| e. Amount due or refund - (sum of Lines a, b, c and d)   | 25,153.84  | 16,547.65                                | 27,756.42                       |                           |

**Other Information:**

Tax computation based on 1099s only.

|                               |              |                  |            |
|-------------------------------|--------------|------------------|------------|
| Examiner's Signature:<br>Name | Employee ID: | Office:          | Date:      |
| Kristin B. Emminger           | - 4731       | Portland, Oregon | 10/01/2018 |

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income you earned and do not pay the required tax. The IRS may order backup withholding (withholding of a percentage of your dividend and/or interest payments) if the tax remains unpaid after it has been assessed and four notices have been issued to you over a 120-day period.

## Government's Sentencing Memorandum

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|  |  |   |                                   |
|--|--|---|-----------------------------------|
| <b>Form 4549-A</b><br>(Rev. March 2013)            | Department of the Treasury-Internal Revenue Service<br><b>Income Tax Examination Changes</b><br>(Unagreed and Excepted Agreed) |   | Page <u>3</u> of <u>4</u>         |
| Name and Address of Taxpayer<br><br>WINSTON SHROUT |  | Taxpayer Identification Number<br><div style="background-color: black; width: 50px; height: 15px; display: inline-block;"></div> 3573 | Return Form No.:<br>1040          |
|  |  | Person with whom examination changes were discussed.  | Name and Title:<br>WINSTON SHROUT |

|  | Period End<br>12/31/2012 | Period End<br>12/31/2013 | Period End<br>12/31/2014 |
|--|--------------------------|--------------------------|--------------------------|
| <b>1. Adjustments to Income</b>  |                          |                          |                          |
| a. Pensions and Annuities  | 15,018.00                | 15,018.00                | 15,018.00                |
| b. Sch C1 - Gross Receipts or Sales  | 65,620.00                | 56,216.00                | 180,127.00               |
| c. SE AGI Adjustment   | (4,635.00)               | (3,972.00)               | (9,666.00)               |
| d. Standard Deduction  | (5,950.00)               | (7,300.00)               | (7,400.00)               |
| e. Exemptions  | (3,800.00)               | (3,900.00)               | (1,817.00)               |
| f.   |                          |                          |                          |
| g.   |                          |                          |                          |
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| n.   |                          |                          |                          |
| o.   |                          |                          |                          |
| p.   |                          |                          |                          |
| <b>2. Total Adjustments</b>  | 66,253.00                | 56,062.00                | 176,262.00               |
| <b>3. Taxable Income Per Return or as Previously Adjusted</b>  | 0.00                     | 0.00                     | 0.00                     |
| <b>4. Corrected Taxable Income</b>   | 66,253.00                | 56,062.00                | 176,262.00               |
| Tax Method   | TAX TABLE                | TAX TABLE                | TAX RATE                 |
| Filing Status  | Married Separate         | Married Separate         | Married Separate         |
| <b>5. Tax</b>  | 12,599.00                | 9,948.00                 | 46,119.00                |
| <b>6. Additional Taxes / Alternative Minimum</b>   |                          |                          | 2.00                     |
| <b>7. Corrected Tax Liability</b>  | 12,599.00                | 9,948.00                 | 46,121.00                |
| <b>8. Less</b>   |                          |                          |                          |
| a. Credits   |                          |                          |                          |
| b.   |                          |                          |                          |
| c.   |                          |                          |                          |
| d.   |                          |                          |                          |
| <b>9. Balance (Line 7 less total of Lines 8a thru 8d)</b>  | 12,599.00                | 9,948.00                 | 46,121.00                |
| <b>10. Plus</b>  |                          |                          |                          |
| a. Self Employment Tax   | 8,060.00                 | 7,943.00                 | 19,332.00                |
| b. Additional Medicare Tax   |                          |                          | 372.00                   |
| c.   |                          |                          |                          |
| d.   |                          |                          |                          |
| <b>11. Total Corrected Tax Liability (Line 9 plus Lines 10a thru 10d)</b>  | 20,659.00                | 17,891.00                | 65,825.00                |
| <b>12. Total Tax Shown on Return or as Previously Adjusted</b>   | 0.00                     | 0.00                     | 0.00                     |
| <b>13. Adjustments to:</b>   |                          |                          |                          |
| a.   |                          |                          |                          |
| b.   |                          |                          |                          |
| c.   |                          |                          |                          |
| <b>14. Deficiency-Increase in Tax or (Overassessment - Decrease in Tax)<br/>(Line 11 less Line 12 adjusted by Lines 13a through 13c)</b> | 20,659.00                | 17,891.00                | 65,825.00                |
| <b>15. Adjustments to Prepayment Credits-Increase (Decrease)</b>   |                          |                          |                          |
| <b>16. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15)<br/>(Excluding interest and penalties)</b>                           | 20,659.00                | 17,891.00                | 65,825.00                |

## Government's Sentencing Memorandum

Attachment A, Page 4 of 7

|  |  |                                 |                                 |
|--|--|---------------------------------|---------------------------------|
| Form <b>4549-A</b><br>(Rev. March 2013)  | Department of the Treasury-Internal Revenue Service<br><b>Income Tax Examination Changes</b><br>(Unagreed and Excepted Agreed) |                                 | Page <u>4</u> of <u>4</u>       |
| Name of Taxpayer<br>WINSTON SHROUT   | Taxpayer Identification Number<br>[REDACTED] 3573  | Return Form No.:<br>1040        |                                 |
| <b>17. Penalties/ Code Sections</b>  | <b>Period End</b><br>12/31/2012  | <b>Period End</b><br>12/31/2013 | <b>Period End</b><br>12/31/2014 |
| a.<br>b.<br>c.<br>d.<br>e.<br>f.<br>g.<br>h.<br>i.<br>j.<br>k.<br>l.<br>m.<br>n.   |  |                                 |                                 |
| <b>18. Total Penalties</b>   |  |                                 |                                 |
| Underpayment attributable to negligence: (1981-1987)<br>A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed. |  |                                 |                                 |
| Underpayment attributable to fraud: (1981-1987)<br>A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.      |  |                                 |                                 |
| Underpayment attributable to Tax Motivated Transactions (TMT).<br>Interest will accrue and be assessed at 120% of underpayment rate in accordance with IRC 6621(c).    | 0.00   | 0.00                            | 0.00                            |
| <b>19. Summary of Taxes, Penalties and Interest:</b>   |  |                                 |                                 |
| a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)  | 20,659.00  | 17,891.00                       | 65,825.00                       |
| b. Penalties (Line 18) - computed to 10/01/2018  |  |                                 |                                 |
| c. Interest (IRC § 6601) - computed to 10/22/2018  | 4,493.79   | 3,247.93                        | 9,651.47                        |
| d. TMT Interest - computed to 10/22/2018 (on TMT underpayment)   | 0.00   | 0.00                            | 0.00                            |
| e. Amount due or refund - (sum of Lines a, b, c and d)   | 25,152.79  | 21,138.93                       | 75,476.47                       |
| <b>Other Information:</b>  |  |                                 |                                 |
| Tax computation based on 1099s only.   |  |                                 |                                 |

|                               |                 |                  |            |
|-------------------------------|-----------------|------------------|------------|
| Examiner's Signature:<br>Name | Employee ID:    | Office:          | Date:      |
| Kristin B. Emminger           | [REDACTED] 4731 | Portland, Oregon | 10/01/2018 |

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income you earned and do not pay the required tax. The IRS may order backup withholding (withholding of a percentage of your dividend and/or interest payments) if the tax remains unpaid after it has been assessed and four notices have been issued to you over a 120-day period.

|                                     |  |                            |
|-------------------------------------|--|----------------------------|
| Form 886-A<br>(Rev. January 1994)   | <b>EXPLANATION OF ITEMS</b>                  | Schedule number or exhibit |
| Name of Taxpayer<br>SHROUT, WINSTON | Tax Identification Number<br>[REDACTED]-3573 | Year/Period ended          |

Adjustment(s) to Prepayment Credit(s) Subject to  
Deficiency (Form 4549 series Line 13a or Form  
5278 Line 20a):

2009 2010

Make work pay/government retiree credit

400.00 400.00

Total Adjustment Amount:

400.00 400.00

Adjustment(s) to Prepayment Credit(s) Not  
Subject to Deficiency (Form 4549 series Line 15  
or Form 5278 Line 22):

2009 2010

Total Adjustment Amount:

| Form <b>5278</b><br>(Rev. June 2011)  |  | <b>Statement - Income Tax Changes</b>  |  | Schedule |
|---|--|--|--|----------|
| 1. Name(s) of taxpayer(s)<br>WINSTON SHROUT   |  | 2. <input type="checkbox"/> Notice of Deficiency <input type="checkbox"/> Other<br><input type="checkbox"/> Settlement Computation |  |          |
| 3. Taxpayer Identification Number<br>██████████-3573  | 4. Form number<br>1040                     | 5. Docket number   | 6. Office symbols<br>SBSE:1201             |          |
| <b>Tax Year(s) Ended</b>  |  |  |  |          |
| <b>7. Adjustments to income</b>   | <b>Year: 12/31/2009</b>                    | <b>Year: 12/31/2010</b>  | <b>Year: 12/31/2011</b>                    |          |
| a. Pensions and Annuities   | 15,018.00                                  | 15,018.00  | 15,018.00                                  |          |
| b. Sch C1 - Gross Receipts or Sales   | 57,399.00                                  | 41,600.00  | 69,297.00                                  |          |
| c. SE AGI Adjustment  | (4,055.00)                                 | (2,939.00)   | (4,895.00)                                 |          |
| d. Standard Deduction   | (5,700.00)                                 | (5,700.00)   | (5,800.00)                                 |          |
| e. Exemptions   | (3,650.00)                                 | (3,650.00)   | (3,700.00)                                 |          |
| f.  |  |  |  |          |
| g.  |  |  |  |          |
| h.  |  |  |  |          |
| <b>8. Total adjustments</b>   | 59,012.00                                  | 44,329.00  | 69,920.00                                  |          |
| 9. Taxable income as shown in<br><input type="checkbox"/> Preliminary letter dated _____<br><input type="checkbox"/> Notice of deficiency dated _____<br><input type="checkbox"/> Return as filed | 0.00                                       | 0.00   | 0.00                                       |          |
| <b>10. Taxable income as revised</b>  | 59,012.00                                  | 44,329.00  | 69,920.00                                  |          |
| <b>11. Tax</b><br>Tax Method _____<br>Filing Status _____   | 10,944.00<br>TAX TABLE<br>Married Separate | 7,263.00<br>TAX TABLE<br>Married Separate  | 13,614.00<br>TAX TABLE<br>Married Separate |          |
| 12. Alternative tax, if applicable  |  |  |  |          |
| 13. Alternative minimum tax (Starting in tax year 2000)   |  |  |  |          |
| <b>14. Corrected tax liability - (lesser of line 11 or 12 plus line 13)</b>   | 10,944.00                                  | 7,263.00   | 13,614.00                                  |          |
| 15. Less credits  |  |  |  |          |
| a.  |  |  |  |          |
| b.  |  |  |  |          |
| c.  |  |  |  |          |
| <b>16. Balance - (line 14 less total of lines 15a - 15c)</b>  | 10,944.00                                  | 7,263.00   | 13,614.00                                  |          |
| 17. Plus other taxes  |  |  |  |          |
| a. Self Employment Tax  | 8,110.00                                   | 5,878.00   | 8,511.00                                   |          |
| b.  |  |  |  |          |
| c.  |  |  |  |          |
| <b>18. Total corrected tax liability - (line 16 plus lines 17a - 17c)</b>   | 19,054.00                                  | 13,141.00  | 22,125.00                                  |          |
| 19. Total tax shown on return or as previously adjusted   | 0.00                                       | 0.00   | 0.00                                       |          |
| 20. Adjustments:<br>increase or<br>(decrease) to:   |  |  |  |          |
| a. See Attached   | 400.00                                     | 400.00   |  |          |
| b.  |  |  |  |          |
| c.  |  |  |  |          |
| <b>21. Deficiency - Increase in tax (overassessment - decrease in tax)<br/>(line 18 less line 19 adjusted by lines 20a - 20c)</b>   | 18,654.00                                  | 12,741.00  | 22,125.00                                  |          |
| 22. Adjustments to prepayment credits - Increase (decrease)   |  |  |  |          |
| <b>23. Balance due or (Overpayment) excluding interest and penalties<br/>(line 21 adjusted by line 22)</b>  | 18,654.00                                  | 12,741.00  | 22,125.00                                  |          |
| 24. Penalties and/or Additions to Tax (listed below)  |  |  |  |          |

| Form <b>5278</b><br>(Rev. June 2011)  |                        | <b>Statement - Income Tax Changes</b>  |   | Schedule                                  |
|---|------------------------|--|---|---|
| 1. Name(s) of taxpayer(s)<br>WINSTON SHROUT   |                        | 2. <input type="checkbox"/> Notice of Deficiency <input type="checkbox"/> Other<br><input type="checkbox"/> Settlement Computation |   |   |
| 3. Taxpayer Identification Number<br>██████-3573  | 4. Form number<br>1040 | 5. Docket number   | 6. Office symbols<br>SBSE:1201            |   |
|   |                        | Tax Year(s) Ended  |   |   |
| 7. Adjustments to income  |                        | Year: 12/31/2012   | Year: 12/31/2013                          | Year: 12/31/2014                          |
| a. Pensions and Annuities   |                        | 15,018.00  | 15,018.00                                 | 15,018.00                                 |
| b. Sch C1 - Gross Receipts or Sales   |                        | 65,620.00  | 56,216.00                                 | 180,127.00                                |
| c. SE AGI Adjustment  |                        | (4,635.00)   | (3,972.00)                                | (9,666.00)                                |
| d. Standard Deduction   |                        | (5,950.00)   | (7,300.00)                                | (7,400.00)                                |
| e. Exemptions   |                        | (3,800.00)   | (3,900.00)                                | (1,817.00)                                |
| f.  |                        |  |   |   |
| g.  |                        |  |   |   |
| h.  |                        |  |   |   |
| 8. Total adjustments  |                        | 66,253.00  | 56,062.00                                 | 176,262.00                                |
| 9. Taxable income as shown in<br><input type="checkbox"/> Preliminary letter dated _____<br><input type="checkbox"/> Notice of deficiency dated _____<br><input type="checkbox"/> Return as filed |                        | 0.00   | 0.00                                      | 0.00                                      |
| 10. Taxable income as revised   |                        | 66,253.00  | 56,062.00                                 | 176,262.00                                |
| 11. Tax<br>Tax Method _____<br>Filing Status _____  |                        | 12,599.00<br>TAX TABLE<br>Married Separate   | 9,948.00<br>TAX TABLE<br>Married Separate | 46,119.00<br>TAX RATE<br>Married Separate |
| 12. Alternative tax, if applicable  |                        |  |   |   |
| 13. Alternative minimum tax (Starting in tax year 2000)   |                        |  |   | 2.00                                      |
| 14. Corrected tax liability - (lesser of line 11 or 12 plus line 13)  |                        | 12,599.00  | 9,948.00                                  | 46,121.00                                 |
| 15. Less credits  |                        |  |   |   |
| a.  |                        |  |   |   |
| b.  |                        |  |   |   |
| c.  |                        |  |   |   |
| 16. Balance - (line 14 less total of lines 15a - 15c)   |                        | 12,599.00  | 9,948.00                                  | 46,121.00                                 |
| 17. Plus other taxes  |                        |  |   |   |
| a. Self Employment Tax  |                        | 8,060.00   | 7,943.00                                  | 19,332.00                                 |
| b. Additional Medicare Tax  |                        |  |   | 372.00                                    |
| c.  |                        |  |   |   |
| 18. Total corrected tax liability - (line 16 plus lines 17a - 17c)  |                        | 20,659.00  | 17,891.00                                 | 65,825.00                                 |
| 19. Total tax shown on return or as previously adjusted   |                        | 0.00   | 0.00                                      | 0.00                                      |
| 20. Adjustments:<br>increase or<br>(decrease) to:   |                        |  |   |   |
| a.  |                        |  |   |   |
| b.  |                        |  |   |   |
| c.  |                        |  |   |   |
| 21. Deficiency - Increase in tax (overassessment - decrease in tax)<br>(line 18 less line 19 adjusted by lines 20a - 20c)   |                        | 20,659.00  | 17,891.00                                 | 65,825.00                                 |
| 22. Adjustments to prepayment credits - Increase (decrease)   |                        |  |   |   |
| 23. Balance due or (Overpayment) excluding interest and penalties<br>(line 21 adjusted by line 22)  |                        | 20,659.00  | 17,891.00                                 | 65,825.00                                 |
| 24. Penalties and/or Additions to Tax (listed below)  |                        |  |   |   |



**ATTACHMENT B**  
**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

**Portions of Trial Transcript from**  
***United States v. April J. Rampton***  
**2:11-cr-812 (D. UT 2012)**

1                   IN THE UNITED STATES DISTRICT COURT

2                   DISTRICT OF UTAH

3                   CENTRAL DIVISION

4  
5           UNITED STATES OF AMERICA,           )

6                   Plaintiff,           )

7           vs.           )           CASE NO. 2:11-CR-812DB

8           APRIL J. RAMPTON,           )

9                   Defendant.           )

10           \_\_\_\_\_)

11  
12  
13                   BEFORE THE HONORABLE DEE BENSON

14                   -----

15                   December 14, 2012

16                   Jury Trial

17                   Volume V

18

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23

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25

## A P P E A R A N C E S

For Plaintiff:

MICHAEL J. ROMANO  
STUART A. WEXLER  
601 D Street, N.W.  
Washington, D.C.

For Defendant:

ROBERT L. STEELE  
KRISTEN R. ANGELOS  
46 West Broadway  
Suite 110  
Salt Lake City, Utah

Court Reporter:

Ed Young  
247 U.S. Courthouse  
350 South Main Street  
Salt Lake City, Utah 84101-2180  
801-328-3202

## I N D E X

| Witness<br>-----         | Examination By<br>----- | Page<br>----      |
|--------------------------|-------------------------|-------------------|
| Nancy Phillips           | Ms. Angelos (Cross)     | 683               |
| Nancy Phillips           | Mr. Romano (Redirect)   | 693               |
| Nancy Phillips           | Ms. Angelos (Recross)   | 696               |
| Casey Hill               | Mr. Romano (Direct)     | 697               |
| Casey Hill               | Ms. Angelos (Cross)     | 708               |
| Casey Hill               | Mr. Romano (Redirect)   | 711               |
| Kristy Morgan            | Mr. Wexler (Direct)     | 712               |
| Kristy Morgan            | Mr. Steele (Cross)      | 769               |
| Kristy Morgan            | Mr. Wexler (Redirect)   | 779               |
| Bjorn Sundell            | Mr. Romano (Direct)     | 782               |
| Bjorn Sundell            | Mr. Steele (Cross)      | 815               |
| April Rampton            | Ms. Angelos (Direct)    | 836               |
| Exhibit<br>-----         |                         | Received<br>----- |
| Defendant's Exhibit E    |                         | 684               |
| Plaintiff's Exhibit 1-91 |                         | 721               |
| Plaintiff's Exhibit 1-85 |                         | 768               |
| Defendant's Exhibit B    |                         | 779               |
| Plaintiff's Exhibit 16-8 |                         | 786               |
| Plaintiff's Exhibit 16-7 |                         | 788               |

1 problems with the I.R.S. with your taxes prior to this  
2 1099-OID filing in 2008?

3 A. Never.

4 Q. At some point the meeting ended and everyone left.  
5 What did you think about what had been said in the meeting?

6 A. I thought it was absolutely an answer to prayer. I had  
7 been trying to figure out how to provide for my children,  
8 and I couldn't wait to find out and go and do it so that I  
9 could provide for my children.

10 Q. You heard testimony from Ernie Jessop earlier this week  
11 that he came out skeptical. Why did you get a different  
12 impression than Ernie?

13 A. Because I do Ernie's taxes. He is not a tax guy, and I  
14 think because I was familiar with taxes and he was not, that  
15 all of it sounded like gobbledygook to Ernie.

16 Q. So you had a better understanding --

17 A. A much better understanding.

18 Q. Did the fact that Tony was your dad's friend lend some  
19 credibility to him and what he was saying?

20 A. Yes.

21 Q. Why?

22 A. Because I trust my dad and I love my dad. He has not  
23 ever been able to help me financially, but I knew that this  
24 was something that he believed in and that he could  
25 introduce me to, so I didn't question Tony because of the

1 connection with my dad.

2 Q. What is your relationship with your father?

3 A. I love my dad. He is my dad even though he is not  
4 biologically mine. We don't believe in steps in my family,  
5 and I think you're either family or you're not, and even  
6 though he has only been my dad since I was eight, he is the  
7 only dad that I ever knew.

8 Q. Describe him. What is his demeanor like? What is your  
9 dad like?

10 A. My dad is from the south and so he is very  
11 chauvinistic. I am the wrong gendered child. He gets along  
12 with his sons much better than he gets along with his  
13 daughters. We just haven't ever -- like I say, I'm a girl  
14 and he does not deal well with girls.

15 Q. Is that hard for you?

16 A. Yeah. I have always wanted to make my dad happy. I  
17 have always wanted to be able to have the same relationship  
18 with him that he has with his oldest son. I am his oldest  
19 child.

20 Q. Prior to this meeting had you ever heard of the  
21 1099-OID process before?

22 A. I had not.

23 Q. After this meeting what do you do next?

24 A. I was staying at my parents' house and we went back to  
25 my parents' house, and as we loaded up getting ready to go

1 back to Heber City I asked my dad, Dad, is this really  
2 legitimate? Is this legal? Is this going to pay off my  
3 house? He said absolutely, 100 percent.

4 Q. Did the fact that your dad was telling you that this  
5 1099-OID process was legal have any impact on you?

6 A. I'm sorry. Can you wait one minute?

7 Repeat the question.

8 Q. Yes. Did the fact that your dad was telling you that  
9 the program was legal have any impact on you?

10 A. Absolutely. I wouldn't have done it if I had been told  
11 in any way that it was illegal.

12 Q. We have had some discussions before and you have talked  
13 about your dad being the head of the household. Explain  
14 what that means to you.

15 A. What dad says goes. It always has. He is very, very  
16 assertive that way.

17 Q. I should ask, are you aware that your father teaches  
18 seminars all around the country?

19 A. I do. I know he teaches seminars. I have never  
20 attended one, but I know that that is what he does since he  
21 retired.

22 Q. What did your dad prior to retirement for a job?

23 A. He was a foreman for the Mercury Nevada nuclear test  
24 site.

25 Q. At this point you have met with Tony and you have had

1 it validated by your father, and what is your impression of  
2 the 1099-OID tax process?

3 A. That it was a completely legal program, that this was  
4 something that the banks had been doing that they were  
5 profiting from and we were not, and that this was something  
6 that was going to allow the I.R.S. to actually make things  
7 right and stop the bank fraud.

8 Q. So what do you do next?

9 A. When?

10 Q. After this meeting with Tony and after talking with  
11 your dad, what is the next step that you took as far as the  
12 1099-OID process?

13 A. We traveled home to Heber and within the next day or  
14 two -- I think it was really late when we got home, so the  
15 next day I went on the I.R.S. Web site to get the forms.

16 Q. I should ask you, and walk me through this, when you  
17 got to the I.R.S. Web site what exactly did you do when you  
18 got there?

19 A. You go onto, you know, I.R.S. dot gov and you go to  
20 taxes forms and publications and then to whatever year you  
21 need, and then click on all of that and it brought up the  
22 1099-OID form.

23 Q. Let me ask you this. This occurred in June -- May and  
24 June of 2008?

25 A. The tail end of May, first part of June.



**ATTACHMENT C**  
**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

**List of Cases Related to Winston Shrout and**  
**Winston Shrout Solutions in Commerce**

## Government's Sentencing Memorandum

Attachment C, Page 1 of 1

**United States v. Winston Shrout**  
**3:15-cr-00438**  
**List of Related Cases**

| <b>Defendant Name</b> | <b>Case Name</b>      | <b>District</b> | <b>Case Citation</b> | <b>Year of Judgment</b> | <b>Judgment Docket Number</b> | <b>Sentence (Incl. Restitution)</b> |
|-----------------------|-----------------------|-----------------|----------------------|-------------------------|-------------------------------|-------------------------------------|
| Michael Curley        | US v Curley           | MD              | 8:11-cr-00128        | 2012                    | 32                            | 30 months, \$222,332                |
| Ronald Croteau        | US v. Croteau         | MD FL           | 2:13-cr-00121        | 2015                    | 170                           | 56 months, no restitution           |
| Michael Lavery        | US v. Lavery          | UT              | 2:12-cr-00050        | 2014                    | 46                            | 6 months, \$249,373                 |
| Stanley Wardle        | US v. Wardle          | UT              | 2:12-cr-00073        | 2014                    | 129                           | 33 months, \$29,527                 |
| Dennis Alexio         | US v. Alexio et al.   | HI              | 1:13-cr-01018        | 2017                    | 312                           | 120 months, \$168,923.63            |
| Hakeem El Bey         | US v. El Bey          | ND IL           | 1:14-cr-00447-1      | 2018                    | 196                           | 28 months, \$600,000                |
| Miles Julison         | US v. Julison         | OR              | 3:11-cr-00378        | 2013                    | 250                           | 48 months, \$411,773                |
| Peter Hesser          | US v. Hesser          | MD FL           | 2:11-cr-00083        | 2015                    | 151                           | 3 years, \$123,000                  |
| Sherilyn Wahinekapu   | US v. Wahinekapu      | HI              | 1:12-cr-00375        | 2014                    | 63                            | 42 Months, \$3,107,570.32           |
| Francis Chandler      | US v Chandler, III    | HI              | 1:12-cr-01258        | 2014                    | 44                            | 37 Months, \$3,066,629.32           |
| Ronald Brekke         | US v. Brekke et al.   | WD WA           | 2:10-cr-00328        | 2012                    | 294                           | 144 months, \$6,206,998.91          |
| Wonita Chung          | US v. Brekke et al.   | WD WA           | 2:10-cr-00328        | 2012                    | 177                           | 18 months, \$612,237                |
| Jason McGuire         | US v. McGuire et al.  | ED MI           | 2:11-cr-20750        | 2014                    | 249                           | 63 month \$1,675,483.81             |
| Delvin Davis          | US v. McGuire et al.  | ED MI           | 2:11-cr-20750        | 2014                    | 250                           | 42 months, \$1,145,613.81           |
| Gaylene Bolanos       | US v. Bolanos et al.  | ED CA           | 1:13-cr-00362        | 2016                    | 404                           | 120 Months, \$429,304.14            |
| Michael Beiter        | US v. Jones et al.    | SD FL           | 0:11-cr-60273        | 2013                    | 716                           | 25 years, \$5,362,039               |
| David Clum            | US v. Jones et al.    | SD FL           | 0:11-cr-60273        | 2013                    | 717                           | 293 months, \$5,362,039             |
| Christopher Marrero   | US v. Jones et al.    | SD FL           | 0:11-cr-60273        | 2013                    | 715                           | 180 months, \$5,456,607             |
| Gerrit Timmerman      | US v. Timmerman et al | UT              | 2:13-cr-00045        | 2015                    | 353                           | 4 years, no restitution             |
| Sharon Anzaldi        | US v. Anzaldi et al.  | ND IL           | 1:11-cr-00820-1      | 2014                    | 218                           | 63 months, \$851,142                |
| Phillip Desalvo       | US v. Anzaldi et al.  | ND IL           | 1:11-cr-00820-2      | 2013                    | 191                           | 30 months, \$715,422                |
| Steven Latin          | US v. Anzaldi et al.  | ND IL           | 1:11-cr-00820-3      | 2013                    | 193                           | 18 months, \$715,422                |
| Gaetano Fiore         | US v. Fiore           | NV              | 2:11-cr-00208        | 2012                    | 39                            | 30 months, \$99,316                 |
| Penny Jones           | US v. Jones et al.    | SD FL           | 0:11-cr-60273        | 2013                    | 709                           | 144 months, \$5,362,039.69          |
| Thomas A. Johnson     | US v. Johnson et al   | MD              | 8:10-cr-00102        | 2010                    | 140                           | 60 months, \$1,149,170.18           |
| Harry J. Williams     | US v. Johnson et al   | MD              | 8:10-cr-00102        | 2010                    | 138                           | 72 months, \$1,149,170.18           |
| Russell Trauger       | US v. Trauger         | MD PA           | 3:12-cr-00275        | 2016                    | 35                            | 24 months, \$233,686.55             |
| Teresa Marty          | US v. Marty et al.    | ED CA           | 2:13-cr-00217        | 2017                    | 201                           | 120 months, \$9,500,492             |

**ATTACHMENT D**  
**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

**Letter from Dr. James Pelton, MD**  
**Western Regional Medical Director**  
**Federal Bureau of Prisons**

**re:**

**BOP's capacity to accommodate Winston Shrout's**  
**mental and physical condition**

**U.S. Department of Justice**

Federal Bureau of Prisons

*Western Regional Medical Director*

October 3, 2018

VIA EMAIL

Stuart A. Wexler  
Trial Attorney, Western Criminal Enforcement  
U.S. Department of Justice, Tax Division  
601 D Street NW, Room 7028  
Washington, DC 20004

RE: United States v. Winston Shrout, 15-cr-00438-JO (D. Or.)  
Health Issues/Medical Care available within the Federal Bureau of Prisons

Dear Mr. Wexler:

I am writing in response to the request from the United States Attorney's Office concerning the medical conditions of the defendant Winston Shrout, and the ability of the Federal Bureau of Prisons (BOP) to provide adequate medical care for defendant as an inmate. In my role as the Regional Medical Director for the Federal Bureau of Prisons (Western Region), I am occasionally called upon to make presentence reviews such as you have requested.

I am a board certified internist employed by the Federal Bureau of Prisons. As the Regional Medical Director, I am responsible for overseeing delivery of medical care in the Region and advising other BOP physicians in the management of especially difficult or complicated cases. I received a BA from Duke University, attended medical school at the University of Southern California and completed a residency in internal medicine through the University of California, Los Angeles. I have been employed by the BOP since July of 1997. During this time, I have cared for many inmates with complex medical conditions. I am currently licensed to practice medicine in the States of California, Colorado, and North Carolina.

I have reviewed the medical documents provided by you. Specifically, you provided a 20-page evaluation from Alexander M. Milley, PsyD; a 20-page evaluation from C. Chyrelle Martin, PsyD; and a 31-page report and one-page addendum from Stephanie Maya Lopez, MD. All three aforementioned reports concerned Mr. Shrout's psychological state and his ability to stand trial. Also contained within the reports were summaries of Mr. Shrout's medical conditions.

Dr. Lopez diagnosed Mr. Shrout with no mental disorder, disease, or defect. Dr. Martin diagnosed Mr. Shrout with delusional disorder but expressly ruled out schizophrenia. Dr.

Millkey diagnosed Mr. Shrout with delusional disorder. The reports generally depicted Mr. Shrout as intelligent or above-intelligent and well-functioning, notwithstanding his delusional beliefs. Mr. Shrout was also described as using an ambulatory aid, having undergone hernia and hip-replacement surgery, and self-reporting moderate-to-severe chronic pain.

The BOP is entirely capable of managing Mr. Shrout's physical and mental health care needs. Over 18,000 BOP inmates (approximately 10% of the BOP population) have major psychological diagnoses. Management of inmates with conditions such as schizophrenia, bipolar disorder, and major depressive disorder are considered routine. These conditions are managed as a function of the Health Services and Psychology Services Departments working together and in tandem to manage patient care. Further, chronic orthopedic problems such as those due to hip replacement are commonly encountered in BOP facilities. Mr. Shrout's delusional disorder does not appear to impair his general functioning or ability to perform basic life function, and would not significantly impact his medical classification. Similar, his orthopedic pain can be properly managed at any BOP facility.

The BOP Formulary, as with many health care systems, provides a standardized list of approved, appropriate medications. There are several medications of varying types and strengths which could be provided to Mr. Shrout for pain management, and, if necessary, psychiatric treatment. Further, there is a mechanism available to our local health care providers to obtain non-Formulary medications when they determine that it is medically appropriate.

The Bureau of Prisons is committed to providing inmates in its custody with quality medical care that is consistent with community standards. The BOP classifies its institutions according to the medical resources available on a one-to-four scale. Level-I institutions house essentially healthy inmates. Level-2 institutions accept inmates with chronic, but stable medical conditions. Level-3 institutions manage inmates with potentially unstable medical problems. Level-4 institutions are medical referral centers (FM Cs). These resources are more specifically described in the *Legal Guide to the Federal Bureau of Prisons* (2014) at pages 25-26. Every institution maintains a Health Services Unit to provide medical, dental, and mental health care. BOP policy regarding medical care and procedures for caring for inmates with medical needs is set forth in federal regulations at 28 C.F.R. §549, and Program Statement (PS) 6031.03, *Patient Care*. Service is provided by a variety of health care professionals, including psychiatrists, physicians, nurses, physician assistants, dietitians, dentists, and pharmacists. BOP health care staff is augmented by assigned United States Public Health Service personnel. Community medical professionals are consulted as needed, and inmates are sent to community hospitals should medically necessary care be unavailable at the institution. See PS 60 I 0.02, *Health Services Administration*.

If the defendant is sentenced to a term of imprisonment, when the designation request is forwarded to the BOP from the U.S. Probation Office and the U.S. Marshal, medical records can be forwarded to the BOP with a request for the designation to be forwarded to the BOP Medical Designator. Designation decisions take into consideration multiple factors, including security level and medical treatment needs. Initial designations are made for inmates who have recently been sentenced by the Court. Inmates with an acute medical/psychiatric problem(s), or those with chronic care requirements, are referred by the Designation and Sentence Computation Center (DSCC) to the Medical Designator (OMDT) for an initial designation. The mission of OMDT is to effect the timely and efficient designations and movements of inmates with health

care needs from initial commitment or from current institution to locations that possess the required health care resources while meeting the community standard of medical care. This includes the determination of appropriate security assignment of the inmate and type of transportation to be used. The Medical Designator makes designations, referrals, and denials based on urgency of need, cost-effectiveness, Bureau institution capabilities, expected service period, including recuperation, current bed space availability, security requirements, and consultation with Bureau physicians at the sending and receiving institutions.

Based upon my review of the medical records for Mr. Shrout and my expertise as a physician with knowledge of BOP medical facilities, it is my opinion the BOP can provide appropriate medical care for Mr. Shrout. He would most likely be designated as a Care Level-2 inmate. I trust this information satisfies your concerns. Please feel free to contact me if I may be of further assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Pelton, MD", written over the word "Sincerely,".

James Pelton, MD

Western Regional Medical Director  
Federal Bureau of Prisons

**ATTACHMENT E**  
**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

**‘Sovereign Citizens’  
Intelligence Report  
The Southern Poverty Law Center (2010)**



# SPECIAL ISSUE Intelligence Report

PUBLISHED BY  
THE SOUTHERN POVERTY LAW CENTER

ROLL CALL VIDEO ON  
'SOVEREIGN CITIZEN' THREAT



## 'SOVEREIGN' CITIZENS

THE CONSPIRATORIAL IDEOLOGY BEHIND A DOUBLE COP-KILLER IS SPREADING RAPIDLY

---

**PLUS**

---

**'SOVEREIGN' LEADERSHIP**

Profiles of top activists

**TIPS FOR LAW ENFORCEMENT**

Sovereign danger signs

**'SOVEREIGN' DICTIONARY**

Decoding the bizarre



# Understanding the Threat: 'Sovereign' Citizens & the Law

BY MARK POTOK



LAW ENFORCEMENT OFFICERS FACE a myriad of potential threats every day they are on the streets. Do they now need to know about a bizarre extreme-right movement whose members believe they don't have to pay taxes, obey federal laws, or have driver's licenses and vehicle registrations?

The answer is most definitely yes. As was demonstrated trag-

ically on May 20, 2010, in West Memphis, Ark. — where a father-and-son team of self-described “sovereign citizens” murdered two police officers during a traffic stop and badly wounded two others before being shot to death themselves — advance knowledge in such situations can make the difference between life and death. “My men didn't realize who or what they were dealing with,” West Memphis Chief Bob Paudert told the *Intelligence Report*. “Maybe if they had, they'd be alive today. One of those officers was my son.”

Jerry and Joseph Kane, the killers of Brandon Paudert and Bill Evans, were true believers in the nonsensical theories of the sovereign citizens. Though it is tempting to dismiss the violence they initiated in West Memphis as an isolated event unrelated to political ideology — an unstable father and son who exploded in a moment of savage but unexplainable fury — the truth is more frightening. The Kanes, in fact, were products of the sovereign citizens movement who crisscrossed the country giving seminars on fraudulent methods of escaping debts and foreclosures. In one of them, captured on videotape, Jerry Kane can be heard saying that he was tired of authorities who “keep messing with me,” adding that he might have to kill one. “And if I have to kill one, then I'm not going to be able to stop,” Kane said.

The fact is that the sovereign citizens movement is growing fast. And while most adherents are certainly not violent, experience has shown time and again that when cornered, some will lash out in rage, frustration and, in the most extreme cases, acts of deadly violence. The double murder in West Memphis was not the only sovereign-officer conflict to have ended in death.

This special edition of the *Intelligence Report* — a slightly edited reprint of the Fall 2010 cover story in the magazine — describes the beliefs of the sovereign citizens movement, provides profiles of its principal leaders and offers tips to help

law enforcement officers spot sovereigns. Bound into the issue is a copy of the officer-safety roll-call video — “Sovereign Citizens' and Law Enforcement: Understanding the Threat” — that we subsequently produced and distributed to thousands of law enforcement officers. (The video is narrated by West Memphis Chief Paudert and Jim Cavanaugh, a retired special agent in charge for the Bureau of Alcohol, Tobacco, Firearms and Explosives with extensive experience of the radical right.) Our hope is that these materials will help save lives of our men and women in blue.

Officers around the country have been reporting increased contact with sovereign citizens since the West Memphis slayings, and many are understandably baffled by the fake driver's licenses and vehicle registrations that sovereigns often present. Many have been served bizarre documents, some fingerprinted in red ink, entitled “Truth Affidavits” or “Certificate of Standing & Capacity.” Other officers, along with many judicial officials, have had illegal liens placed against their personal property by sovereigns seeking revenge.

It is difficult to say precisely how many sovereigns there are in the United States today, in part because there is no central leadership and few organized groups that adherents can join. Instead, there is an array of local leaders with individualized and often differing takes on sovereign citizen ideology and techniques. Some of those attracted to the movement merely dabble in the ideology's techniques, while others take the IRS on directly as tax protesters. But tax expert J.J. MacNab, the author of the report that follows, estimates there are about 100,000 hard-core sovereigns today, with another 200,000 essentially testing out sovereign techniques for resisting everything from speeding tickets to drug charges. As sovereign theories go viral throughout the nation's prison systems and among people who are unemployed and desperate in a punishing recession, that number is likely to grow.

The problem is serious enough that the U.S. Department of Justice introduced the National Tax Defier Initiative in 2008 to target movement leaders. In February 2009, the FBI launched its own national operation targeting “militia/sovereign citizen extremist groups,” as well as other types of radical organizations, after noting a major upsurge in such groups.

Jerry Kane and his young son were active participants in this sprawling subculture, and when they came into contact with police officers during a routine traffic stop, they chose to open fire without provocation. We hope that this special issue will help prevent similar tragedies in the future. ▲



## 2 'Sovereign' Citizen Kane

On May 20, 2010, a man and his son opened fire on police officers in West Memphis, Ark., killing two and wounding two others before being killed themselves. Cop-killers Jerry and Joe Kane were members of the rapidly growing “sovereign citizens” movement that may now be 300,000 strong.

## 8 Murdered Officers Part of Deadly Trend

Since 1990, law enforcement officers have comprised nearly 15% of the victims of far-right killings.

## 10 The 'Sovereign' Leadership

A dozen leaders of the contemporary “sovereign citizens” movement—some of them promoters of the so-called “redemption” scam—are profiled.

## 13 A 'Sovereign' Dictionary

Adherents of the “sovereign citizens” movement are known for their bizarre use of language and Byzantine belief system.

## 14 Tips for Law Enforcement

Common traits of “sovereign citizens” that law enforcement officers can and should be on the alert for.

## 16 A Message from Chief Bob Paudert

The chief discusses the threat “sovereign citizens” pose to law enforcement and why awareness is so important.

## Intelligence Report

EDITOR/INTELLIGENCE PROJECT DIRECTOR  
Mark Potok

DIRECTOR OF RESEARCH  
Heidi Beirich

DEPUTY EDITOR  
Robert Steinback

STAFF WRITERS  
Ryan Lenz, Leah Nelson, Evelyn Schlatter

CHIEF INVESTIGATOR  
Joseph Roy Sr.

SENIOR INTELLIGENCE ANALYST  
Laurie Wood

INFORMATION MANAGER  
Michelle Bramblett

RESEARCH ANALYSTS  
Anthony Griggs, Janet Smith

PROGRAM ASSOCIATE  
Karla Griffin

RESEARCHERS  
Angela Freeman, Karmetriya Jackson

DESIGN DIRECTOR  
Russell Estes

DESIGNERS  
Valerie Downes, Michelle Leland, Scott Phillips

DESIGN PRODUCTION ASSISTANT  
Sunny Paulk

WEB PRODUCTION DIRECTOR  
Ryan King

WEB PRODUCTION  
Chris Pow

MEDIA AND GENERAL INQUIRIES Mark Potok

LAW ENFORCEMENT INQUIRIES Joseph Roy Sr.

SUBSCRIPTION REQUESTS Karla Griffin  
Southern Poverty Law Center  
400 Washington Ave. • Montgomery, AL 36104  
(334) 956-8200 • [www.intelligencereport.org](http://www.intelligencereport.org)

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Cop-killers Jerry and Joe Kane were members of a rapidly growing radical-right movement that may now be 300,000 strong

# ‘Sovereign’ Citizen Kane

BY J.J. MACNAB



The moment of truth: 16-year-old Joe Kane as he opens fire on two Arkansas police officers.



It had been one of those mornings for West Memphis, Ark., police officers Brandon Paudert and Bill Evans. By 11:00 on May 20, 2010 they'd already spent three hours monitoring a suspicious rental truck and vehicle with Arizona license plates parked at a local motel, trying to determine whether the truck contained a shipment of illegal drugs. As members of the West Memphis Police Department's drug interdiction team, their job was to stop the seemingly endless flow of narcotics that passed through their town on busy Interstate 40. Officer Paudert called it in, and the West Memphis chief of police arrived at the scene to assess the situation.

When it was discovered that the truck and car was nothing more sinister than a grandmother moving her family, the good-natured ribbing began. After all, the chief of police was not just the officers' boss; he was Brandon Paudert's father.

"I told them to get off their butts and get back on the interstate," Chief Bob Paudert recounted later. "They were really laughing."

Chagrined, Paudert and Evans returned to I-40, watching for signs of drugs on the move through their jurisdiction. When Evans spied a white minivan with unusual Ohio license plates, he pulled the van over at the exit near Mile Marker 275, and called his partner for backup. Safety came first, and in the dangerous world of drug trafficking, there is no such thing as a routine stop.

Inside the white minivan, a 16-year-old boy named Joseph Kane remained in the passenger seat, while his father, Jerry, age 45, stood in front of the police SUV and argued with the offi-



End of watch: Police officers Brandon Paudert (left) and Bill Evans, seen here during an April 2010 drug bust, had worked together frequently. On May 20, 2010 at the hands of a father-son pair of "sovereign citizens," they died together.

cers. There was a tussle, and Jerry Kane pushed Officer Evans into a roadside ditch. The boy quickly emerged from the minivan with a loaded AK-47 and aimed at Evans. The officer put one hand on his pistol, and held the other up to the boy as if to signal "Stop." The boy shot Evans several times and turned his attention to Paudert, who took cover behind the police vehicle.

A package delivery man, exiting the highway at Marker 275, stopped his truck to witness the horrific scene. He called 911, and the alert went out: "Officer down!"

While Paudert was able to fire his pistol seven times, he was outgunned and the police vehicle offered little protection from Joe Kane's assault rifle. The boy chased Paudert around the police SUV, shooting him several times in the back of the head before returning to Evans in the ditch. There, he fired again. The Kanes then rushed to the minivan and pulled away, while Joe continued to shoot at the downed officers.

Another alert went out: "Two officers down!"

J.J. MacNab is a nationally known tax and insurance expert who has testified before the U.S. Congress and in other important venues. The author of numerous articles, she is currently at work on a book about the sovereign citizens movement.

MIKE DOUGLAS/THE EVENING TIMES

According to a preliminary investigation report, Brandon Paudert was struck 11 times and died at the scene; Evans was hit by 14 rounds and died at the hospital.

In the next 90 minutes, there was a frenzy of activity around West Memphis. The highways were closed, law enforcement from various agencies converged on the area looking for the white minivan with odd Ohio plates, and calls started coming in from alert citizens. The van was spotted at a local country club, a commercial truck terminal, and an apartment building. One witness claimed that Jerry Kane had asked for directions to the nearest Walmart. As seen in Walmart security videotapes of the parking lot, Joe Kane walked into the store and made a purchase, while his father removed the license plates from the vehicle.

The first to spot the van was an Arkansas wildlife officer who rammed into the Kanes' vehicle to prevent it from leaving. The Kanes fired more than a dozen rounds at the officer's truck, but he wasn't hit. As police converged on the scene, two more officers were wounded in a frenzied shootout before the Kanes were both killed. Crittenden County Sheriff Dick Busby was shot once in the shoulder, and W.A. Wren, West Memphis' chief of enforcement, was hit multiple times in the abdomen. Both men survived.

Over the next few days, West Memphis mourned the loss of its officers. At the same time, the department, other law enforcement officials, and the public at large began to question exactly what had provoked the violence.

### Who are the 'Sovereigns'?

It would be tempting to dismiss the violence that took place that day as an isolated event — an unstable father and son who exploded in a moment of vicious, unexplained fury. The truth, however, is more frightening. Jerry Kane and his young son were active participants in the sprawling subculture of "sovereign citizens" in America: hundreds of thousands of far-right extremists who believe that they — not judges, juries, law enforcement or elected officials — get to decide which laws to obey and which to ignore, and who don't think they should have to pay taxes. While law enforcement officers may disagree on how to deal with or even label this extremist subculture, one thing is certain: it's trouble. The sovereign

YOUTUBE VIDEO

### DEATH ON THE INTERSTATE A TRAFFIC STOP TURNS DEADLY



11:36 AM Officer Evans pulls over "sovereign citizen" Jerry Kane.



11:46 AM Kane argues with Evans at the rear of the vehicle.



11:48 AM Joe Kane exits the vehicle with an AK-47 and opens fire.



11:49 AM The Kanes flee the scene, leaving two dying officers behind.



12:41 PM The Kanes' vehicle enters a Walmart parking lot.



1:20 PM Officer Neal rams the Kanes' vehicle to prevent escape.



1:45 PM The Kanes are both killed in a shootout with police.

movement is growing fast, and its partisans are clogging up the courts with their indecipherable filings. When cornered, many of them lash out in rage, frustration and, in the most extreme cases, acts of deadly violence.

It is difficult to say precisely how many sovereigns there are in the United States today, in part because there is no central leadership and no organized group that members can join — instead, there are a variety of local leaders with individualized takes on sovereign citizen ideology and techniques (see leader profiles, p. 20). Those who are attracted to this bizarre subculture typically attend a seminar or two, or visit one of the thousands of websites and online videos on the subject, and then simply choose how to act on what they've learned. Some start by testing sovereign ideology with small offenses such as driving without a license, while others proceed directly to taking on the IRS as tax protesters.

In the mid-1990s, the IRS estimated that there were approximately 250,000 such tax protesters in the U.S., not all of whom were full-blown sovereign ideologues. Since the late 1990s, an abundance of evidence suggests that the sovereign citizen movement's growth has been explosive, although there have been no more recent IRS estimates because Congress in 1998 prohibited the agency from tracking or labeling those who file frivolous arguments in lieu of paying their taxes. But a conservative estimate of the number of all kinds of tax protesters today would be about 500,000.

In the 2008 criminal tax trial of actor Wesley Snipes, whose tax filings made clear that he was a sovereign tax protester, IRS senior technical adviser Shauna Henline testified that the agency receives between 20,000 and 30,000 frivolous returns each year, along with roughly 100,000 letters from tax protesters. Earlier, in 2001, the U.S. Senate's Finance Committee held hearings on the growing movement and, by 2008, the Department of Justice had decided to introduce the National Tax Defier Initiative in a bid to target key movement leaders. "Simply stated," then-Assistant Attorney General Nathan Hochman said in announcing the DOJ initiative, "we want to pull back the curtain and show the public that the promoters of these tax and bogus schemes are not some wizards that have revealed the tax-free



universe to America, but instead are nothing more than garden variety hucksters and modern day snake oil salesmen, peddling their bogus tax products.”

Not all tax protesters are sovereign citizens, and many newer recruits to the sovereign life did not start out as tax protesters. But based on the available evidence, a reasonable estimate of hard-core sovereign believers today would be 100,000, with another 200,000 just starting out by testing sovereign techniques for resisting everything from speeding tickets to drug charges, for a total of 300,000. As sovereign theories go viral throughout the nation’s prison systems and among people who are unemployed and desperate in a punishing recession, this number is likely to grow.

**Redeeming the ‘Strawman’**

While many sovereign citizens own guns, their weapon of choice is paper. A simple traffic violation or pet-licensing case can end up provoking dozens of court filings containing hundreds of pages of pseudo-legal nonsense. For example, Donna Lee Wray, Jerry Kane’s “common-law wife,” was recently involved in a protracted legal battle in a dog-licensing case. She filed 10 sovereign documents in court over a two-month period, then declared victory when the harried prosecutor decided to drop the case. A three-year dog license in Wray’s Pinellas County, Fla., costs \$20.

Tax cases are even worse —sovereign filings in such legal battles can quickly exceed a thousand pages. While a normal criminal case docket might have 60 or 70 entries, many involving sovereigns have as many as 1,200. The courts are struggling to keep up, and judges, prosecutors and public defenders are being swamped.

It isn’t just the number of pages that is causing courts to sag under the weight of these filings. The documents are written in a kind of special sovereign code language that judges, lawyers and other court staff simply don’t speak. Sovereigns believe that if they can find just the right combination of words, punctuation, paper, ink color and timing, they can have anything they want — freedom from taxes, unlimited wealth, and life without licenses, fees or laws, are all just a few strangely worded documents away. It’s the modern-day equivalent of “abracadabra.”

At its core, the current sovereign belief system is relatively simple and is based on a decades-old conspiracy theory. At some point in history, sovereigns believe, the American government set up by the founding fathers — with a legal system the sovereigns refer to as “common law” — was secretly replaced by a new government system based on admiralty law, the law of the sea and international commerce. Some sovereigns believe this perfidious change occurred during the Civil War, while others blame the events of 1933, when America abandoned the gold standard. Either way, they stake their lives and livelihood on the

“How much more routine can you get than a father and son in a church van? Your guard is down and you’re just not ready for a shootout. We need indicators that tell us what to look for.”

— CHIEF BOB PAUDERT, FATHER AND BOSS OF SLAIN OFFICER BRANDON PAUDERT

idea that judges around the country know all about this hidden government takeover but are denying the sovereigns’ motions and filings out of treasonous loyalty to hidden and malevolent government forces. Under common law, or so they believe, the sovereigns would be free men. Under admiralty law, they are slaves, and secret government forces have a vested interest in keeping them that way.

The next layer of the scheme is even more implausible. Since 1933, the U.S. dollar has been backed not by gold, but by the “full faith and credit” of the U.S. government. According to sovereign researchers, this means that the government has pledged its citizenry as collateral, by selling their future earning capabilities to foreign investors, effectively enslaving all Americans. This sale, they claim, takes place at birth.

When a baby is born in the U.S., a birth certificate is issued, and the hospital usually requires that the parents apply for a Social Security number at that time. Sovereigns say that the government then uses that certificate to set up a kind of corporate trust in the baby’s name — a secret Treasury account — which it funds with an amount ranging from

\$600,000 to \$20 million, depending on the particular variant of the sovereign belief system. By setting up this account, every newborn’s rights are cleverly split between those held by the flesh-and-blood baby and the ones assigned to his or her corporate shell account.

The clues, many sovereigns believe, are found on the birth certificate itself. Since most certificates use all capital letters to spell out a baby’s name, JOHN DOE is the name of the corporate shell “strawman,” while John Doe is the baby’s “real,” flesh-and-blood name. As the child grows older, most of his legal documents will utilize capital letters, which means that his state-issued driver’s license, his marriage license, his car registration, his criminal court records, his cable TV bill, and correspondence from the IRS will all pertain to his corporate shell identity, not his real, sovereign identity.

The process sovereigns have devised to split the strawman from the flesh-and-blood man is called “redemption,” and its purpose is two-fold. Once separated from the corporate shell, the newly freed man is now outside of the jurisdiction of all admiralty laws. More importantly, by filing a series of complex, legal-sounding documents, the sovereign can tap into that secret Treasury account for his own purposes. Over the last 30 years, there have been hundreds of sovereign promoters packaging different combinations of forms and paperwork, attempting to perfect the process. While no one has ever succeeded, of course, they know with the religious certainty of a true cult believer that they’re close. All it will take is the right combination of words, say the promoters of the redemption scam.

Jerry Kane was one such promoter.

**Why Do They Do it?**

Newcomers drift into the movement in a variety of ways. Originally, the sovereign citizens movement mostly attracted white supremacists and anti-Semites, mainly because sovereign theories originated in groups who saw Jews as playing a behind-the-scenes role in manipulating financial institutions and controlling the government. Most early sovereigns, and some of those who are still on the scene, believed that being white was a prerequisite to becoming a sovereign citizen. They argued that the 14th Amendment to the Constitution, which gave blacks U.S. citizenship, also made black Americans permanently subject to federal and state governments, unlike themselves.

In recent years, however, most new recruits are people who have found themselves in a desperate situation and are searching for a quick fix. Others are intrigued by the notions of easy money and living a lawless life, free from any unpleasant consequences. (Moreover, many self-identified sovereigns today are black and apparently completely unaware of the racist origins of their ideology.) When they experience some small success at using redemption techniques to battle minor traffic

The aftermath: Police surround the Kanes’ vehicle after the final shootout in a Walmart parking lot. The body of Joe Kane lies in the foreground; his father’s hand can be seen behind the rear of the vehicle. The Kanes had removed their license plates less than half an hour earlier.

offenses or local licensing issues, they’re hooked. For many, it’s a political issue. They don’t like taxes, traffic laws, child support obligations or making banks rich, but they are too impatient to try to change what they dislike by traditional, political means.

In times of economic prosperity, sovereigns typically rely on absurd and convoluted schemes to evade state and federal income taxes and hide their assets from the IRS. In times of financial hardship, they turn to debt- and mortgage-elimination scams, techniques to avoid child support payments, and even attempts to use their redemption techniques to get out of serious criminal charges. Jerry Kane, who’d suffered a series of personal defeats in life, specialized in teaching a mortgage-elimination technique that had no basis in the actual law.

Once in the movement, it’s an immersive and heady experience. In the last three decades, the redemptionist subculture has grown from small groups of like-minded individuals in localized pockets around the nation to a richly layered society. Redemptionists attend specialized seminars and national conferences, enjoy a large assortment of alternative newspapers and radio networks, and subscribe to sovereign-oriented magazines and websites. They home school their children so that a new generation will not have to go through the same learning curve that they did to see past the government’s curtain to the common-law utopia beyond.

While the techniques sold by promoters never perform as promised, most followers are nonetheless content to be fighting



ALAN SPEARMAN/THE COMMERCIAL APPEAL



the battle, and they blame only the judges, lawyers, prosecutors and police when their gurus’ methods fail. While most have never achieved financial success in life, they take pride in engaging the government in battle, comparing themselves to the founding fathers during the American Revolution.

The movement has grown to the point where a group called the Guardians of the Free Republics is attempting to assemble its own common-law-based, alternative government on a national scale. Already, the group, which in 2010 demanded that the governors of all 50 states step down, claims to have set up a common-law court in every state and has signed up more than 1,000 jurors for these pseudo-legal judicial bodies.

### Liens, Litigation and Murder

A litigation plan based solely on conspiracies and absurd legal theories is doomed to fail. When the inevitable happens, the sovereign has two choices: he can admit he was wrong and fell for an obvious scam, or he can blame the government. Considering that most sovereigns were already desperate when they joined the movement, spending years and many dollars on worthless redemption techniques can only have worsened their situation. Realistically, some angry outbursts are to be expected when the moment of truth arrives.

Sometimes, those outbursts are aimed at self or family. But far more often, the sovereign takes aim at his perceived enemies. The judge that dismisses his claim, the county recorder who refuses his filing, the reporter that calls him a deadbeat dad, and the sheriff who evicts him from his foreclosed home — all are possible targets of a sovereign’s rage (see tips for law enforcement officials, p. 24). Since most sovereigns favor paper over guns, this revenge most often takes the form of retaliatory property liens and tax forms that are designed to ruin an enemy’s credit rating and cause them to be audited by the IRS.

But in those cases where a sovereign feels particularly desperate, angry, battle-weary and cornered, his next government



**Stressed out:** With their finances in shambles, Jerry Kane and his son Joe traveled the country giving sparsely attended seminars on avoiding foreclosure while clad in white suits. When Jerry Kane was arrested in New Mexico for driving without a license (booking photos above), he seemed to grow ever angrier than in the past. A month later, the Kanes, now cop-killers, were dead.



contact, no matter how minor, can be his final straw. The resulting rage can be lethal.

Jerry and Joe Kane were not the first sovereigns to lash out at a routine traffic stop and it’s unlikely they’ll be the last. In 1995 in Ohio, a sovereign named Michael Hill pulled a gun on an officer during a traffic stop. Hill was killed. In 1997, New Hampshire extremist Carl Drega shot dead two officers and two civilians, and wounded another three officers before being

killed himself. In that same year in Idaho, when brothers Doug and Craig Broderick were pulled over for failing to signal, they killed one officer and wounded another before being killed themselves in a violent gun battle.

And, in a 1993 case that bears an eerie similarity to the recent events in West Memphis, an Alabama officer approached a family’s car in a strip mall parking lot. A shopper there had told the officer that a boy in the back seat was asking for help. The officer walked to the car and asked to see the father’s driver’s license. There was an argument, and the father made some typical sovereign claims. Then, without warning, the father pulled out his gun and shot the officer. Badly wounded, the officer tried to run to his car, but instead met the wife of the sovereign, who pulled out her own weapon and shot him dead. The couple had warrants out for their arrest in Florida, and the car they were driving had unusual sovereign-style license plates. Sovereign citizens George Sibley and Linda Block were executed for the murder by the state of Alabama several years later.



**Heart to heart:** West Memphis, Ark., Detective Jimmy Evans (left), whose brother was murdered by Joe Kane, talks with Wildlife Officer Michael Neal. Neal rammed his truck into the fleeing Kanes’ vehicle, preventing their escape and drawing a hail of bullets from the fugitives.

### Citizen Kane

May 2010 had been a stressful month for Jerry Kane. He’d been traveling around the country with his teenage son, giving seminars to financially strapped individuals and promising them the tools to avoid foreclosure. His seminar fee ranged from \$100 to \$300 “per man,” but a man was free to bring his wife and children for that price. If a follower were in really dire straits, Kane would let him attend free.

As a former long-haul trucker, Kane was used to long hours on the road with his son, but in one of his last online radio shows, he’d told his followers that he was frustrated with the seminar circuit and planned to cut his scheduled tour off early,

after one more date in Florida. A seminar in Denver had been a disaster — no one had shown up — and he’d just completed a two-day event in Las Vegas, traveling thousands of miles in his old Plymouth Voyager. Despite his efforts and time, only six people had attended.

To make matters worse, Kane knew that driving cross-country was risky. As a sovereign citizen and a member of the larger antigovernment “Patriot” movement — a free man who believed that the Constitution guaranteed his right to travel without restriction — he was breaking a number of laws. He didn’t have a driver’s license. His van was registered to an accommodating ministry in Ohio. There was a brick of marijuana in the car. And, most importantly, he had outstanding warrants for his arrest in two states. In Ohio, he faced charges of forgery and theft by deception. He’d also been arrested in New Mexico for driving without a license and concealing his identity. He’d been preparing a series of documents to file in New Mexico that were designed to punish the police officer who arrested him. Kane was determined to make the officer and his family pay.

On May 20, Jerry and Joe Kane were driving east on I-40 from Las Vegas to their last seminar and a new life in Florida. Kane had met a Floridian named Donna Lee Wray at one of his foreclosure seminars three months earlier, and they had fallen in love. Father and son were headed, they thought, to a bright new life. Instead, they left a trail of human wreckage and smashed-up hopes and dreams.

Today, even after learning many of the facts behind the sovereign citizens movement that helped lead the Kanes and others to murder, the late Officer Paudert’s boss and father, the West Memphis chief, struggles to make sense of what happened. Bob Paudert mourns his son and the other casualties of the collision of sovereign citizen ideology and law enforcement, and he worries that his personal tragedy could repeat itself with other police officers on roads around the nation.

“How much more routine can you get than a father and son in [what looked like] a church van?” he asked in an interview. “Your guard is down and you’re just not ready for a shootout. We need indicators that tell us what to look for.”

There are telltale signs of sovereign citizens — strange license plates, unusual comments about the Fed and other government agencies, and so on (see story, p. 14). But they are not always easy to spot. And while not all are violent — sovereign leaders around the country have had mixed views of the Arkansas shootout, from painting the Kanes as heroes to various wild-eyed conspiracy theories about them being “set up” by government forces — there is little to suggest that the killings have weakened the movement. Donna Lee Wray, for example, reacted to the death of her new family by firing off angry missives demanding, among other things, that she be paid \$1 million every time her “copyrighted” name is printed by those writing about the case. The number of sovereigns across America is clearly expanding, and with that growth comes an increasing level of danger.

Bob Paudert, in an emotional interview with the *Intelligence Report*, said he knows only too well what the cost can be. “It was the worst day of my life, ever,” the chief said. “I hope no parent has to go through what we’ve been through.” ▲

## Murdered Officers Part of Deadly Trend

When 16-year-old Joseph Kane shot and killed two Arkansas police officers in May 2010, it was only the latest in a disturbing trend of right-wing extremists murdering law enforcement officials. Kane shot West Memphis officers Bill Evans and Brandon Paudert a combined 25 times with an AK-47 after he and his father, Jerry Ralph Kane Jr., were pulled over in a traffic stop. The Kanes, who had traveled the country giving classes in “redemption foreclosure mortgage fraud,” went on to wound two other officers before being killed themselves.

In 2009, five law enforcement officers and a museum security guard were slain in three incidents in which the suspected shooters reportedly had each

expressed displeasure with the election of President Obama. That was the most since 1995, when six officers were murdered by right-wing extremists, five of them in the Oklahoma City bombing that also left 163 other people dead.

The victims in 2009 included three Pittsburgh police officers allegedly shot and killed by Richard Poplawski, who a friend said feared that President Obama was going to restrict gun ownership. (Poplawski’s case is pending). In Okaloosa County, Fla., two sheriff’s deputies were shot and killed by U.S. Army Reservist Joshua Cartwright, who was then killed in a shootout. Cartwright’s wife told officials her husband had been “severely disturbed”

by Obama’s election, and local authorities said that he had been interested in joining an antigovernment militia. In Washington, D.C., neo-Nazi James von Brunn shot and killed a security guard at the U.S. Holocaust Memorial Museum. Von Brunn, 88, who died later while in custody, wrote in a notebook that “Obama does what his Jew owners tell him to do,” according to a police affidavit.

Since 1990, law enforcement officers have comprised nearly 15% of the victims of far-right killings — 49 out of more than 400 fatalities — according to a report published this year by the University of Maryland. Local and state officers have accounted for more than 70% of these law enforcement deaths.

NEW MEXICO BOOKING PHOTO (KANE), YOUTUBE VIDEO (JOE AND JERRY KANE)

ARKANSAS GAME AND FISH COMMISSION, MIKE WINTROATH/AP IMAGES



The leadership of the “sovereign citizens” movement is populated with men who market a variety of generally nonsensical, and often illegal, schemes to avoid taxes, eliminate debts and extract money from the government. Many of these leaders specialize in the so-called “redemption” scam (see story, p. 2), a bizarre technique that supposedly allows participants to tap into huge amounts of cash that the government is thought to keep in their name. What follows are short profiles of a dozen of these leaders. The leaders’ websites are listed under their names.

# The Sovereigns

## BARTON ALBERT BUHTZ, 70 Sunland, Calif.



For years, Barton Buhtz, who styles himself “Barton Albert: Buhtz” in the peculiar punctuation of the sovereign citizens movement (see “name punctuation,” p. 15),

promoted a redemption scheme that taught clients how to print fraudulent U.S. Treasury checks to pay their taxes, purchase real estate, and pay credit card and other bills. This was a variation of a scheme attempted by members of the Montana Freemen, a sovereign citizens group that was active in the 1990s. Buhtz promised clients that the fake checks were a legal means of accessing a secret Treasury account that the government has set up based on every American’s future earnings.

While Buhtz claimed the phony checks can purchase anything, he personally only accepted cash as payment for his seminars and services. In 2007, Buhtz was convicted on multiple felony counts for helping clients pass a total of \$3.8 million in phony checks, and in 2009 he was sentenced to 36 months in federal prison. He is set to be released in 2012. A number of his former clients are currently either in prison or fighting criminal charges.

## SAMUEL LYNN DAVIS, 55 Boise, Idaho

[www.StatusIsFreedom.com](http://www.StatusIsFreedom.com)  
[www.commercialredemption.com](http://www.commercialredemption.com)

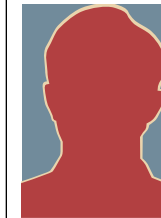


Samuel Lynn Davis, who goes by the nickname “I am: Sam,” is one of the more popular redemption seminar hosts in the country, and dozens of his seminar videos have been uploaded to YouTube.com. In addition to the websites listed

above, Davis shares Web space with other key redemption gurus (including, until his death, Jerry Kane) at [www.privateaudio.homestead.com](http://www.privateaudio.homestead.com). In his seminars, he boasts that he hasn’t filed a tax return since 1998 but doesn’t disclose that he currently has \$53,000 in outstanding state and federal tax liens. Davis has been listed as one of the elders in the Guardians of the Free Republics, a sovereign group that claims to have recently set up “common-law courts” in all 50 states. On March 3, 2009, Davis and his common-law court partner “Rabbi” Shawn Rice were indicted in federal court on 31 counts of bank fraud and money laundering. Rice remained a fugitive at press time. Despite his upcoming trial in Las Vegas, Davis has advised his clients that everything is going as planned.

## RONALD DELORME, 64 Bismark, N.D.

[www.officialpnlsbna.org](http://www.officialpnlsbna.org)



Ronald Delorme is the leader of one of the newest and most prolific sovereign schemes to hit the U.S., a phony Native American tribe called The Little Shell Pembina Band of North America. Delorme claims that an enormous land parcel totaling 53 million acres (most of North Dakota plus portions of South Dakota, Montana, and Manitoba) belongs to the sovereign tribe, and anyone who pays the fee can become a member. In effect, the tribe offers one-stop-shopping for the modern sovereign — freedom from taxes, a tribal license plate, a phony law license, even fake malpractice and automobile insurance. The faux tribe also advises members on how to pass counterfeit checks and avoid falling into the jurisdiction of the American courts. “Rabbi” Shawn Rice, fugitive co-defendant of Samuel

Davis (see profile above), is a member of this tribe. In 2007, a Little Shell subsidiary called Gold-Quest was charged with running a \$27.9 million Ponzi scheme. The tribe responded by filing a \$1.7 trillion lawsuit against the SEC.

## NATURE EL BEY, 33 Taj Tarik Bey

Asbury Park, N.J.



“Lord Nobles” Taj Tarik Bey (real name and age unknown) and Nature El Bey (formerly known as Lee S. Crudup) are two of the leaders of a rapidly growing black nationalist religious movement called Moorish Science Temple of America — part of the larger and expanding phenomenon of

black sovereign groups. The group considers itself sovereign in that it counsels followers to pay taxes to the temple, rather than to the IRS. Like other sovereigns, members do not carry state-issued driver’s licenses (but instead use temple identification cards) and, when charged with crimes, consider themselves to be outside the jurisdiction of any federal, state, or local court. The group markets itself primarily through booklets and videos posted on YouTube, and its sovereign schemes have been spreading rapidly in the last two or three years through the nation’s urban neighborhoods and prison system.

## ROGER ELVICK, 71 Lakota, N.D.

In the 1980s, Roger Elvick was the first promoter to effectively distribute a redemption scheme to an eager and desperate audience of Midwest





farmers, and he is generally acknowledged as the founding father of the modern redemption movement. While phony Federal Reserve checks and similar

programs had been used earlier by far-right promoters Tupper Saussy and Conrad LeBeau, Elvick and the late white supremacist leader William Potter Gale were the first to dress up the scam with the legalistic terminology that now characterizes the sovereign citizens movement and sovereign redemption techniques. As a result of issuing such checks, Elvick spent seven years in the 1990s in federal prison, where he further fleshed out his scheme. In 2003, he was arrested again by the state of Ohio and charged with forgery, extortion, and corruption. The judge found him mentally unfit to stand trial, and he spent several months in a psychiatric institution before pleading guilty to the state charges. Elvick was released from prison in September 2007.

#### KURT F. JOHNSON, 47

#### DALE SCOTT HEINEMAN, 50

Union City, Calif.

[www.thedoreangroup.blogspot.com](http://www.thedoreangroup.blogspot.com)



In just a few short years, Kurt Johnson and Dale Scott Heineman grew a tiny redemption-based debt elimination practice into the largest mortgage-elimination firm in the country, the Dorean Group, with thousands of clients in at least 35 states. They promised followers who were about to lose their homes to foreclosure

that they could own the home free and clear by simply transferring the

property to a trust controlled by the Dorean Group. Dorean would then file a fake grant deed with the county recorder and in the short time when it appeared in the record that the home was debt-free, the client would apply for a new loan and split the proceeds with promoters. Johnson, Heineman and four other salespeople in their thriving company were convicted on multiple felony counts in 2007. Johnson is currently serving a 25-year sentence in federal prison, while Heineman is serving 21 years.

#### DAVID WYNN MILLER, 61

Milwaukee, Wisc.

[www.dwmlc.com](http://www.dwmlc.com)



A former tool-and-die maker, the man who writes his name as “David-Wynn: Miller” — or, as he amusingly says it verbally, “David hyphen Wynn full colon

Miller” — came up with his “truth language” scheme as a result of a frustrating court experience in 1988, when he was going through a divorce. In short, all truth language sentences used in court filings must begin with the preposition “for,” contain at least 13 words, and use more nouns than verbs to be effective (he has claimed that only nouns have legal authority). David Wynn Miller considers himself a “Plenipotentiary Judge” in the Unity States of the World, and has named himself as the King of Hawaii, a feat he claims he accomplished when he converted Hawaii into a verb. Needless to say, Full Colon Miller’s clients have fared poorly in both civil and criminal courts, and at least one client has been required to undergo a psychiatric evaluation. Miller is one of the few sovereign gurus that can say he has clients in four different countries currently serving prison sentences. Despite these failures, Miller’s exotic punctuation scheme is rapidly growing.

#### WINSTON SHROUT, 62

Santa Clara, Utah

[www.wssic.com](http://www.wssic.com)



Winston ShROUT offers a popular seven-part series of seminars and sells several books and DVDs through his website. His materials focus on the “commercial process,” instructing clients in the use of IRS Form 1099-OID to solve all of their tax and debt problems. Despite his alleged expertise, ShROUT currently has \$50,000 in outstanding tax liens, declared personal bankruptcy in 2001, and lost three federal civil cases in the last 10 years, including one in which a major bank sued both Winston and his sham “freeman” arbitration company.

#### JAMES TIMOTHY TURNER, 54

Skipperville, Ala.

[www.americacanbefree.com](http://www.americacanbefree.com)



Tim Turner burst onto the redemption scene three years ago, offering a series of very popular seminars that promise attendees that they can pay off their mortgage, credit card debt, and income tax bills using the “power of negative averments.” He also claims to have cured leukemia in five days. Turner’s programs teach his clients to file dozens of meaningless court documents, and when the opposing parties don’t respond accordingly, to file absurdly large retaliatory property liens against them. For example, in one foreclosure case in which Turner was not even a party, he filed nine fraudulent liens totaling more than \$158 billion against the bank, its attorneys, the court trustee, and miscellaneous other participants. While Turner told his

followers that he won the case, he was actually sanctioned \$22,500 by the court. Most recently, Turner has taken over the leadership of the Guardians of the Free Republics, a group that in 2010 fruitlessly demanded that all 50 governors step down and now claims to have established common-law courts in all 50 states. According to his followers, Turner canceled his seminar schedule. In the past, Turner has worked as both a commercial fisherman and a FEMA employee.

#### DR. GLENN RICHARD UNGER, 59

Clifton Park, N.Y.

[www.republicbroadcasting.org](http://www.republicbroadcasting.org)



The host of the popular online radio show “Take No Prisoners,” who uses the alias of “Dr. Sam Kennedy,” Dr. Glenn Unger is one of the more secretive redemption leaders. In addition to using a false name, Unger doesn’t keep a marketing website and doesn’t allow followers to videotape his speaking engagements. He markets his “Beneficiaries in Commerce” program as a cure-all for everything from tax bills and debt elimination to what he calls “prison extraction.” Unger was a founding member of the Guardians of the Free Republics and received some unwelcome publicity in 2010 when the FBI investigated the group for threatening state governors. In a coup by fellow sovereign Tim Turner in 2010, Unger was pushed out of the Guardians group. Despite his stealth, the IRS found Unger and hit him with a \$116,000 federal tax lien last September. Furthermore, at least three of Unger’s clients have gone to prison as a result of following his program; in a fourth case, the judge found the defendant mentally unfit to stand trial as a result of the nonsensical documents he filed with the court. ▲

#### ‘SOVEREIGN’ IDIOTICON

## A Dictionary of the Peculiar

Adherents of the “sovereign citizens” movement and of sovereign financial scams like “redemption” are known for their bizarre use of language and Byzantine belief system. What follows is a lexicon — or, more precisely, an idioticon, a dictionary of a peculiar dialect — meant to help court officials, law enforcement officers and the general public make their way through the sovereigns’ verbal fog.

#### 14th Amendment citizen

Sovereign citizens describe 14th Amendment citizens as subject to federal and state governments, unlike themselves. Because the amendment gave citizenship to freed slaves, a racist variant of sovereign-citizen theory holds that blacks are subject to the government and that being white is a prerequisite to being a sovereign citizen. Others claim all state citizens were converted by the constitutional amendment to “Federal Citizens,” who can only be freed by a process known as “asseveration.”

#### Accepted for value

When a sovereign receives a bill from the IRS, a bank, or even the cable company, under a twisted reading of the Uniform Commercial

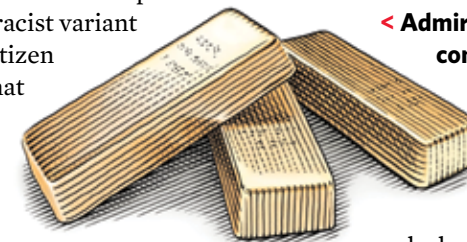
Code, he believes he can simply write “Accepted for Value” on that bill and it will be paid by his secret Treasury Direct Account, set up by the government when he was born.

#### < Admiralty law/ common law

According to sovereign beliefs, there are two types of law: common law

and admiralty law. Since the U.S. went off the gold stan-

dard in 1933, sovereigns say, no one has been able to pay a debt with “real” money, and therefore the country has been operating under commercial law, which sovereigns equate with admiralty law, the law of the seas. Thus, they argue, completely speciously, that Americans have been deprived of their original common law, under which the government can only impose regulations on citizens with their consent, since 1933.





# Tips for Law Enforcement

Unfortunately for law enforcement, self-described "sovereign citizens" don't come with a warning label. In the past, most sovereigns were white supremacists organized into small groups that typically all used the same "private" license plate instead of legal tags. Today, while that is sometimes still true, the ideology of the sovereign citizen movement has spread to the point where adherents hail from any race and are found throughout the nation. And they do not all necessarily carry fake license plates or bear other obvious markers. Still, there are common traits that law enforcement officers can and should be on the alert for. They include:



▲ **License plates with oddball names** like the "Kingdom of Heaven" and the "Little Shell Pembina Band," which is a fake Indian tribe that runs a redemption scam. The FBI has a brochure available for all law enforcement agencies that includes pictures of a variety of sovereign plates.

## Antigovernment bumper stickers.

## Unusual use of outdated language.

A simple question like, "Where are you headed?" may get you a response along the lines of, "I am a free man, traveling upon the land."

## An arrogant or belligerent attitude.

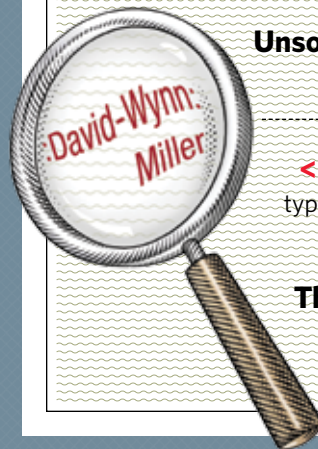
Sovereigns believe that they have secret knowledge about a complex government conspiracy that most Americans, including law enforcement officials, are too stupid to comprehend.

▲ **Anti-Federal Reserve or banking comments**, even though all you are discussing is a driver's license, registration tags or traffic infractions. Anger towards other government agencies such as FEMA, the EPA, the U.S. Post Office and the Census Bureau is common.

## Unsolicited anti-Semitic comments, either outright or veiled.

◀ **Odd punctuation of names**, typically involving colons and hyphens.

**The absence of a zip code** in adherents' addresses (sometimes, the **zip code is present, but placed in brackets**).



## ▲ Bill of Exchange

A fake check used to access the funds in the secret Treasury account supposedly set up by the government to monetize the value of each citizen's life at birth.

## Birth certificate

This form establishes each person's corporate shell, a kind of evil doppelgänger that is attached to every flesh-and-blood baby. That shell is then supposedly sold by the government as a security to foreign investors to enrich Federal Reserve bankers. The proof that the certificate has secret meaning is found in the use of all capital letters, bond paper and a seal and/or watermark — all of which are thought to reflect admiralty law.

## Citizen/citizen

In the 18th-century colonies, nouns were usually capitalized, although the practice was going out of style by the time of the Revolution. Based on that, sovereigns see secret meaning in the use or non-use of capitalized letters. For example, a "citizen" is a sovereign citizen imbued with all natural rights, whereas a "Citizen" is a 14th Amendment citizen subject to the rules and regulations of government.

## Common-law court

Pseudo-legal courts set up to hear matters concerning sovereign citizens, sometimes also called "freemen." They have been used to put enemies on trial for such offenses as treason, rule on matters of interest to sovereigns and, frequently, to formalize citizens' declarations of sovereignty, a process often known as asseveration.

ILLUSTRATION BY KEITH WITMER

## Flag fringe >

Based on the fact that Navy flags and many other military flags have gold fringe, sovereigns believe the presence of fringe on flags in federal courts isn't just decorative, but rather proof that the nation is under admiralty law.

## Form 1099-OID

Although the IRS uses this form for zero-coupon bonds and collateralized bonds, sovereigns believe that the 1099-OID gives them access to the money in the secret Treasury Direct Account that the government funded at their birth.

## Name in all capital letters

JOHN ROBERT DOE, for instance, signifies the corporate shell of a person, as opposed to the flesh-and-blood person.

## Name punctuation

John-Robert: Doe signifies a flesh-and-blood person named John-Robert of the family Doe, as opposed to a punctuation-free name, JOHN ROBERT DOE, which refers to the corporate shell of a person.

## Negative averment

The trick, used by many sovereigns, of twisting all statements into the form of a question in order to shift the burden of truth to the opponent.

## Red ink >

In some states, bonds are canceled using red ink. Sovereigns therefore sign many legal documents and correspondence in red ink to signify that they are canceling the bond attached to their birth certificate

or corporate self. Others believe the color of the ink represents the blood of the flesh-and-blood person.

## Redemption

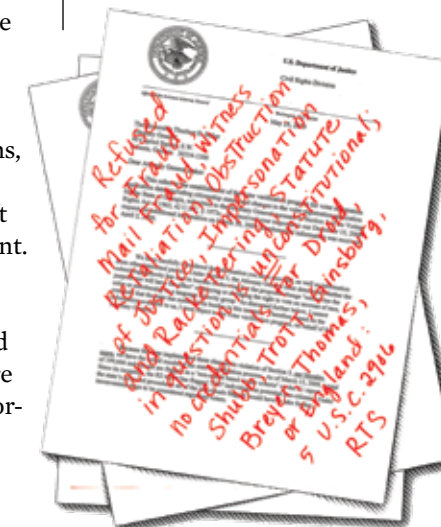
The phony legal process sovereigns use to separate a person's flesh-and-blood body from their mythical corporate shell. Since only the corporate shell is subject to taxes, traffic laws and license requirements, the ability to separate the two is the key to liberating people from such requirements. An added bonus is that the newly freed sovereign can then write checks, or "bills of exchange," on the account the government has set up to monetize the person's life and earnings.

## Strawman

The label assigned to the corporate shell in the redemption process. This corporate shell is attached to a baby at birth when a birth certificate is typed out using all capital letters and a Social Security number is applied for.

## Sui juris

Many sovereigns add this Latin phrase, meaning "of one's own right," to their flesh-and-blood names on legal documents to signify that they are reserving all the rights to which a free man is entitled.



## Treasury Direct Account ▼

When a baby is born, sovereigns believe that the government funds a secret Treasury account in that baby's corporate shell name, based on that person's future earnings. This account can be accessed by writing special checks to pay taxes, mortgage balances and other debts. Sovereigns variously believe the account's value is between \$600,000 and \$20 million.



## Truth language

A complex and bizarre set of language rules designed to mimic the secret language of the law. All sentences must start with the preposition "for," have a minimum of 13 words, and use more nouns than verbs. Punctuation rules are just as complex.

## UCC-1 Statement

When a sovereign successfully separates his flesh-and-blood body from his corporate shell in the redemption process, the flesh-and-blood body then can file a UCC-1 statement against their corporate self in order to preserve the value of that corporate self's Treasury Direct Account for their own use. Since most jurisdictions are getting wise to sovereigns' UCC games, sovereigns often must shop jurisdictions until they find one willing to file the statement without question. ▲



A Message from CHIEF BOB PAUDERT



ON MAY 20, 2010, JERRY KANE AND HIS SON OPENED fire on West Memphis, Ark., police officers Bill Evans and Brandon Paudert during a routine interstate traffic stop. In a harrowing series of events, the Kanes killed the officers and went on to wound a sheriff and his chief deputy before being killed themselves. Jerry and Joseph Kane were so-called “sovereign citizens,” members of a dangerous radical-right movement that is driven by conspiracy theories and a deep-seated hatred of the government and may include as many as 300,000 people. As it happened, Brandon Paudert was the son of West Memphis Police Chief Bob Paudert. Since his son and his partner’s murders, Chief Paudert has dedicated himself to educating his fellow law enforcement officers about the threat posed by sovereigns, speaking to law enforcement groups and also narrating part of the Southern Poverty Law Center officer-safety video, “Sovereign Citizens’ and Law Enforcement: Understanding the Threat,” that is included in this special issue of the *Intelligence Report*. He says his sincerest hope is that no law enforcement officer will ever again face the tragedy that befell his own family.

Chief, why is educating law enforcement about the potential threat posed by so-called sovereign citizens important?

When you look at what happened that day in May, it’s obvious that Brandon and Bill were not prepared for what was coming. Prior to May 20, 2010, when a law enforcement officer in a traffic stop asked for registration, they normally were handed a registration card from one of the 50 states. But not that day. You can see a look of confusion on Brandon and Bill’s faces as Jerry Kane produced his fake sovereign driver’s license. Brandon and Bill were on that traffic stop for nearly 15 minutes, and they were obviously confused by these bizarre documents. My officers just did not know what they were looking at, that they were facing dangerous believers in the sovereign citizens ideology. If they had known in advance what they were dealing with, Brandon and Bill would be alive today.

You’ve told us that you have heard from many police officers who have had dealings with sovereigns. Tell us a little more about that.

I have received calls from all over the country, and considerable gratitude for

the [officer-safety] DVD and for sharing my story. But, shockingly, it’s the rare officer that I have talked to who knows about the sovereign citizens. I talked recently to a particular officer who is being harassed by people who share the Kanes’ beliefs. The officer is actually being sued by them. Nobody else has been in touch with him. He’s begging for help. He’s now in fear for his life. It’s people like this that just tear at your heart. I’ve decided I’m going to do all I can to help these officers. I’m going to respond to every call and every E-mail to make sure that they are getting the information that they need to be safe.

Do you worry about the threat posed to law enforcement officers by other types of extremists?

Any extremist group is a danger to officers, regardless of what ideology they have. If they go to the extreme with their beliefs and they are willing to die for their beliefs, they are dangerous to law enforcement. We need to know what the signs are that are associated with all types of extremists; we need to know what their tattoos mean and so forth. It’s clear there are indicators that

we should be on the lookout for. I know it is going to save lives when officers are armed with this knowledge. Training is essential. That’s the bottom line.

What are your future plans now?

My life changed forever on May 20, 2010. I don’t want this to ever happen to anyone again. I have a deep passion now to inform as many police officers as I can about the dangers presented by sovereigns and to teach them what to look for, so they can be prepared for this situation. I hope we can reach more police officers and tell them about the dangers we are facing. I hope to educate as many people as I can. I want to focus on officer safety issues, that’s what I want to dedicate my life to. ▲

*West Memphis, Ark., Police Chief Bob Paudert has served in law enforcement for 45 years. He began his career as a jailer in Shelby County, Tenn., and served as head of narcotics for the Memphis Police Department before joining the West Memphis department in 1999. Officers who would like to talk with the chief are encouraged to contact him through his police department’s phone number, 870-735-1210.*

IN MEMORIAM

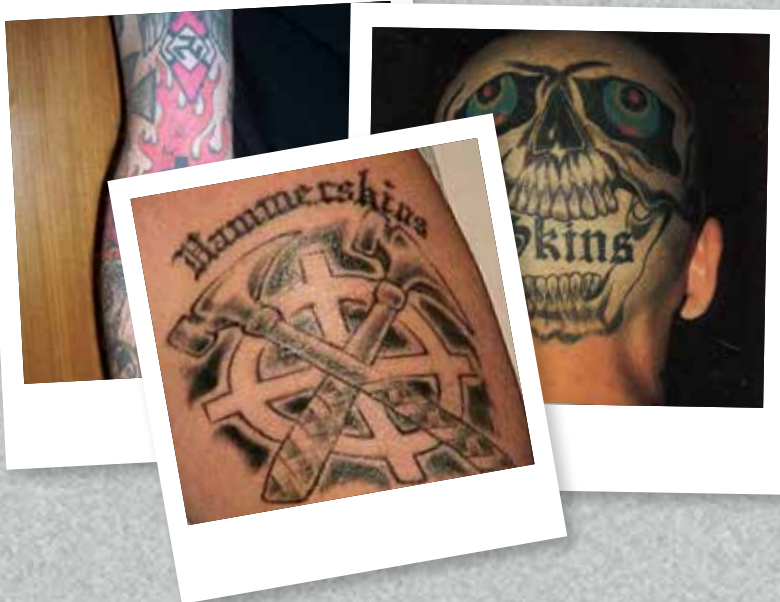
In the years since the Oklahoma City federal building was bombed in 1995, 32 law enforcement officers have been murdered by domestic right-wing political extremists.

Each of their deaths was a unique tragedy.

|  |   |  |   |
|--|---|--|---|
| Leslie George Lord, 45<br>New Hampshire State Police (Colebrook)<br>Aug. 19, 1997    | John C. Bohach, 35<br>Reno, Nev., Police Department<br>Aug. 22, 2001                    | Lee Stewart Newbill, 49<br>Moscow, Idaho, Police Department<br>May 19, 2007              | Stephen Mayhle, 29<br>Pittsburgh, Pa., Police Department<br>April 4, 2009                 |
| Scott Edward Phillips, 32<br>New Hampshire State Police (Colebrook)<br>Aug. 19, 1997 | Eric Bradford Taylor, 31<br>Massillon, Ohio, Police Department<br>Aug. 9, 2002          | Stephen Anderson, 60<br>Salt Lake City, Utah, Department of Corrections<br>June 25, 2007 | Eric Kelly, 41<br>Pittsburgh, Pa., Police Department<br>April 4, 2009                     |
| Bruce Vanderjagt, 47<br>Denver, Colo., Police Department<br>Nov. 12, 1997            | David Frank Mobilio, 31<br>Red Bluff, Calif., Police Department<br>Nov. 19, 2002        | John R. Smith, 40<br>Bastrop, La., Police Department<br>Aug. 10, 2007                    | Burt Lopez, 45<br>Okaloosa County, Fla., Sheriff’s Office<br>April 25, 2009               |
| Robert “Sande” Sanderson, 34<br>Birmingham, Ala., Police Department<br>Jan. 29, 1998 | Kevin Michael Marshall, 33<br>Michigan State Police (Fremont)<br>July 7, 2003           | Charles D. Wilson, Jr., 34<br>Bastrop, La., Police Department<br>Aug. 10, 2007           | Warren “Ski” York, 45<br>Okaloosa County, Fla., Sheriff’s Office<br>April 25, 2009        |
| Dennis Warren Finch, 52<br>Traverse City, Mich., Police Department<br>May 13, 1998   | Donald McMurry Ouzts, 63<br>Abbeville County, S.C., Magistrate’s Office<br>Dec. 8, 2003 | Ronald Harrison, 56<br>Hillsboro County, Fla., Sheriff’s Office<br>Aug. 15 2007          | Stephen T. Johns, 39<br>United States Holocaust Memorial Museum Security<br>June 10, 2009 |
| Dale Dewain Claxton, 45<br>Cortez, Colo., Police Department<br>May 29, 1998          | Danny Wilson, 37<br>Abbeville County, S.C., Sheriff’s Office<br>Dec. 8, 2003            | Thomas Paul Tennant, 51<br>Woodburn, Ore., Police Department<br>Dec. 12, 2008            | Shane Thomas Detwiler, 31<br>Chambers County, Texas, Sheriff’s Office<br>July 13, 2009    |
| James Arland Rowland, Jr., 30<br>Palmer, Alaska, Police Department<br>May 15, 1999   | Robert Walter Hedman, 49<br>Otero County, N.M., Sheriff’s Department<br>Dec. 18, 2004   | William Hakim, 51<br>Oregon State Police<br>Dec. 12, 2008                                | Bill Evans, 38<br>West Memphis, Ark., Police Department<br>May 20, 2010                   |
| Ricky Leon Kinchen, 35<br>Fulton County, Ga., Sheriff’s Department<br>March 17, 2000 | Henry “Hank” Nava, Jr., 39<br>Fort Worth, Texas, Police Department<br>Dec. 1, 2005      | Paul Sciuлло III, 37<br>Pittsburgh, Pa., Police Department<br>April 4, 2009              | Brandon Paudert, 39<br>West Memphis, Ark., Police Department<br>May 20, 2010              |

# The SPLC *Intelligence Report* Offers Online Investigative Resources

The *Intelligence Report* is offering **free online resources** to help law enforcement track extremist activity in their communities and conduct criminal investigations. Check out our website and see all that we have to offer. **[www.intelligencereport.org](http://www.intelligencereport.org)**



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**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

**‘The Lawless Ones’**  
**Special Report, 2<sup>nd</sup> Edition**  
**The Anti-Defamation League (2012)**





SPECIAL  
REPORT

2<sup>ND</sup> EDITION

# THE LAWLESS ONES

THE RESURGENCE OF THE SOVEREIGN CITIZEN MOVEMENT



# **The Lawless Ones: The Resurgence of the Sovereign Citizen Movement**

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## Key Findings

- **Significant Growth.** The sovereign citizen movement is an extreme anti-government movement whose members believe the government has no authority over them. It began a resurgence of activity, including criminal activity, in 2009 that has shown no signs of stopping. In 2012, the sovereign citizen movement is currently one of the most problematic domestic extremist movements in the United States.
- **Potential for Violence.** Sovereign citizen criminal activity includes violent acts, exemplified recently by the brutal murder of two West Memphis police officers at the hands of a father and son pair of sovereign citizens in May 2010. More violent encounters have occurred between police and sovereign citizens since then. Spontaneous sovereign citizen violence, especially during traffic stops and visits to residences, poses a significant risk to law enforcement officers and public officials.
- **Harassing Liens a Major Problem.** More widespread than violence is a set of tactics known as “paper terrorism,” in which sovereign citizens use legal filings to harass, intimidate, and retaliate against public officials, law enforcement officers, and others. Most common is the filing of bogus liens on the property of perceived enemies. Though a number of laws were passed in the 1990s to deal with this problem, sovereign citizens remain undeterred and continue to file such harassing liens in large numbers.
- **Exploiting the Mortgage/Foreclosure Crisis.** Self-appointed “gurus” in the sovereign citizen movement have actively been exploiting the foreclosure crisis, crisscrossing the country promoting schemes and scams to desperate homeowners, while falsely claiming that such schemes can save people’s homes. Other sovereign citizens are even brazenly seizing homes left empty because of foreclosures and claiming the homes for their own.
- **Infecting Prisons.** As a result of imprisoned sovereign citizens continuing to recruit and teach their ideology while behind bars, a growing number of federal and state prisoners are becoming sovereign citizens or using the “paper terrorism” tactics of the movement to retaliate against judges, prosecutors and others involved in their case. Prison officials have so far had little luck in stemming the growth of this movement in prisons.
- **Growing “Moorish” Movement.** Though the sovereign citizen movement is still largely white (and contains some white supremacist members), in recent years a growing African- American offshoot of the sovereign citizen movement, often called the “Moorish” movement, has been gaining strength, teaching sovereign citizen ideas and tactics to a new pool of potential recruits.

## I. Introduction to the 2012 Edition

In recent years, Americans have witnessed a wave of anti-government sentiment sweeping the country. In the mainstream, this manifested itself in anti-incumbent attitudes as well as the growth of movements like the Tea Party.

Out on the fringes of American society, the growth of anti-government sentiment spawned the proliferation of extreme anti-government conspiracy theories and the resurgence of anti-government extremist groups and movements. Of these, the movement that exhibited the most rapid growth of membership and activity—including violent and criminal activity—was the so-called “sovereign citizen” movement.

The sovereign citizen movement, though it has existed for decades, has traditionally garnered so little attention from the media that most Americans are not even aware that it exists, much less that it has a long track record of criminality and violence. Part of the reason for this lack of attention is that the ideology of the movement is complicated, its tactics and activities are unusual, and adherents of the movement typically do not form organized groups that can draw more attention. Usually, the movement operates “under the radar” of public attention; even when attention is drawn to the activities of adherents, the media often does not understand their connection to an organized movement.

Occasionally the sovereign citizen movement does come to public attention, usually through a shocking act such as standoff or shootout. In 2010, such an act occurred. On May 20, 2010, a 45-year-old sovereign citizen with Ohio and Florida connections, Jerry Kane, was driving along I-40 in eastern Arkansas when he was pulled over by West Memphis, Arkansas, police officers running a drug interdiction operation.

Kane, travelling with his 16-year-old son, Joseph, a dedicated disciple of his father’s extreme theories, exited the mini-van and began talking to, then arguing with, the officers. Joseph Kane then jumped out of the mini-van with an AK-47, opening fire on the unsuspecting officers almost immediately, hitting one officer 11 times and the other 14 times, killing them both. Ninety minutes later, after authorities located the Kane’s vehicle, a second shootout occurred, in which the Crittenden County sheriff and his chief deputy were both wounded, and the Kanes were killed.

Shortly after this tragic incident, the Anti-Defamation League released the first edition of this report, designed to draw attention to the growing tide of sovereign citizen activity and violence across the country and to explain the current trends and tactics within the movement.

Unfortunately, in the nearly two years since the West Memphis shootout and the report’s release, the sovereign citizen movement has shown no signs of slowing down. Instead, from every quarter, there have been more violent confrontations, more threats and acts of intimidation and harassment, and more scams and frauds.

Because of the continued threat that this extreme movement poses to the safety and well-being of law

enforcement officers, public officials, and the public at large, the Anti-Defamation League has issued a new and updated version of The Lawless Ones, showing many of the most recent criminal incidents that have come out of the sovereign citizen movement and highlighting the main trends of the movement.

The resurgence of the sovereign citizen movement has already caused problems across the country. If the movement's growth is allowed to continue unchecked, further acts of violence are inevitable, putting government officials, law enforcement officers, and private citizens all at risk. An even larger number of people will fall victim to sovereign citizen acts of harassment and intimidation, as well as to their frauds and scams. This report should serve as a warning call.



## II. Sovereign Citizen Ideology

The sovereign citizen movement began in the early 1970s with a single group, the Posse Comitatus, but its ideology did not really mature until the 1980s, when a serious recession and simultaneous farm crisis created a ready pool of potential recruits. The Posse expanded and a number of other, similar groups formed around the country. By the end of the decade, the Posse had died away but the movement it helped create lived on. During the mid to late 1990s, the sovereign citizen movement received another burst of energy, forming scores of vigilante “common law courts.”

As it evolved, the sovereign citizen movement developed an ideology centered on a massive conspiracy theory. Though different sovereign theorists all have their own varying versions of this conspiracy, including exactly when it started and how it manifested itself, the theories all share the belief that many years ago an insidious conspiracy infiltrated the U.S. government and subverted it, slowly replacing parts of the original, legitimate government (often referred to by sovereigns as the “de jure” government) with an illegitimate, tyrannical government (the “de facto” government).

As a result, sovereign citizens believe that today there are really two governments: the “illegitimate” government that everyone else thinks is genuine and the original government that existed before the conspiracy allegedly infiltrated it. They claim allegiance to the original government and disdain the “illegitimate” one. To them the original government was a utopian minimalist government which never interfered with the citizenry; in their fantasy history of the United States, they believe that people followed “God’s laws” rather than “man’s laws.”

Sovereign citizens (adherents may also refer to themselves by such terms as “constitutionalists,” “freemen,” and “state citizens”) make many efforts to separate themselves from the “illegitimate” government. Some will even renounce their U.S. citizenship (by which they intend only to renounce any ties with the “illegitimate” government, not the country itself). Very common is for sovereign citizens to use punctuation in their name—such as commas, colons, and semi-colons—to separate their first and middle names (their “Christian appellation”) from their last name, which many think is their “government-given” name. Thus Michigan militia leader Mark Koernke, when he also became a sovereign citizen, began writing his name as “Mark Gregory,, Koernke.”

Sovereign citizens believe that the “illegitimate government,” largely through the 14th Amendment, enslaved all Americans by creating a special class of citizenship, “citizens of the United States,” members of which would have no rights—only whatever privileges the government deigned to grant them. The government tricked Americans into becoming “citizens of the United States” by offering them privileges, such as driver’s licenses and Social Security, which were actually hidden contracts with the government through which Americans unknowingly gave away their sovereignty.

Sovereign citizens believe that Americans can tear up these so-called contracts, regain their sovereignty and become immune to the “illegitimate” government, which they claim has no jurisdiction over them.

As a result, sovereign citizens eschew taxes, Social Security, and almost all licenses, registrations and permits. Many sovereign citizens even believe that using zip codes is a contract with the “illegitimate” government and thus will use special forms of address that they think allows them to avoid a contract while still getting their mail delivered. Representative examples taken from actual sovereign citizen documents include (names, street names and numbers have been changed):

John Doe  
c/o 110 West 15th Street, #20-P Austin, Texas  
Republic  
Postal Zone 78705/tdc

John Doe  
c/o 1379 S. Lipton Avenue #140  
Tucson, Arizona state  
Postal Zone 85719/tdc

John Doe  
c/o 12000 N. Peachtree Road  
Grants Pass, Oregon near Postal Zone 97527

Jane Doe  
Postal Zone Exempt Non Domestic c/o:  
2300 Everett Rd., T.D.C. Kapa’a, Kaua’I,  
Haai’I, (u.S.A.)  
near (96746) C. F.

John Doe  
2nd Judicial District  
4389 W. Ave. #123  
Lancaster, California Republic

Jane Doe, Sui Juris  
Non-Resident, Non-Domestic Delivery c/o  
HC 24, Box 142  
Witt Springs, Arkansas Republic  
United States of America

The result of sovereign citizen ideology is that its adherents believe the government (including police and the judicial system) has no jurisdiction over them. To give a typical example, in April 2010 in Brush, Colorado, after several traffic and other violations, David Hemby told the Brush City Council that he wasn’t subject to city ordinances because he was a “sovereign citizen.” Sovereigns also are attracted to setting up their own parallel governmental institutions (such as their own courts or grand juries or even law enforcement agencies) in opposition to those of the “illegitimate” government.

Sovereign citizens can rationalize disobeying or ignoring virtually any law or regulation, major or minor. This, combined with their antagonistic attitude towards government, can put them on a collision course with virtually any form of authority. For example, in February 2012, a Chelan County, Washington, jury convicted sovereign citizen Robert Stewart of seven counts of animal cruelty and unsafe confinement of horses, as well as one count of second degree criminal trespass. In September 2011, the Humane Society had seized five horses from Stewart that were suffering from malnutrition and injury; one later had to be put down. A month later, Stewart walked onto the property of the director of the Humane Society to take photographs of her home. Stewart, who believes local authorities have no jurisdiction over him, had claimed that they could not prosecute him because he was a sovereign citizen.

Many sovereign citizens refuse to stop engaging in their clashes with government even after repeated run-ins with the law. For example, Tampa, Florida, sovereign citizen Emilio Ippolito was convicted in 1998 of obstruction of justice and sending threatening letters to federal officials and was sentenced to 11

years in federal prison. His daughter, also a sovereign citizen, was similarly convicted and actually died in prison. However, after his release, Ippolito, who is 85 years old, went right back to sovereign citizen activities and was arrested twice in 2011, once for impersonating a public officer and once for practicing law without a license.

### III. Organization of the Sovereign Citizen Movement

The sovereign citizen movement is unusual in that, unlike many other extreme movements, it is not generally oriented around groups. Though sovereign citizen groups do form, and sometimes certain types of sovereign citizen groups even become popular for a time, the default structure of the sovereign citizen movement is that of a large mass of individuals or loosely aligned and informal/ad hoc groups, led by a number of sovereign citizen “gurus,” who provide leadership and inspiration as well as new sovereign citizen ideas and tactics.

#### The Sovereign Citizen Guru

Gurus may refer to themselves by a variety of terms (such as “constitutional scholar,” “private attorney general,” etc.; the list is endless), often claiming to be some sort of legal or constitutional expert (though there are few if any actual attorneys in the movement, as the movement believes they are illegitimate). Though some may have other jobs, many are full-time gurus, making a living by selling materials and holding seminars. Some will offer their services as “legal consultants,” while others will also engage in scams and frauds. Some do all of these things simultaneously. When sovereign citizen groups do form, they will sometimes be teams of sovereign citizen gurus working together, such as TeamLaw of Colorado, a collection of several sovereign citizen presenters.

The most common guru activity is the seminar, often held in hotel meeting rooms and sometimes attended by hundreds of people, from long-time sovereign citizens to potential recruits. For example, in 2010, sovereign citizen guru Tim Turner and some of his disciples organized “America Can Be Free” seminars, usually with the help of local sovereign citizens, ostensibly offering people the chance to “free yourself from the debt prison” for the admittance price of \$405 and one pre-1964 Silver Dollar (sovereign citizens believe that only gold and silver constitute “constitutional” money, so this is a symbolic gesture). They held a “4-Day Super Advanced Enforcement Seminar” in Seattle, Washington, from May 20-23, 2010, then followed it up with another seminar on May 29-30 near Boise, Idaho, which they advertised would actually be held in a conference room of the Meridian, Idaho, Police Department. Similar seminars are regularly held in most areas of the country by various sovereign citizen gurus.

Since the 1980s, some sovereign citizens have even started their own “law schools.” One of the first to emerge was the “Barrister’s Inn School of Common Law” out of Boise, Idaho. It no longer exists, but one of its leaders still runs the eponymous George Gordon School of Law out of Isabella, Missouri. Other sovereign citizen “law schools” operating today include the Texas-based “Freedom School” and the Minnesota-based “Erwin Rommel School of Common Law.”

There are scores of sovereign citizen gurus across the United States. Some, such as Richard James McDonald of California (or “Sir Richard James, McDonald,” as he often refers to himself) and

David Wynn Miller of Wisconsin (or “PLENIPOTENTIARY-JUDGE: David-Wynn: Miller”), have been prominent gurus for decades. Others, such as Jerry Kane, the man involved in the West Memphis shootings, are newer to the scene.

Among a few of the other more prominent gurus active today are Winston Shrou, Tim Turner, Sam Kennedy, Jean Keating, and Jack Smith; they may hold seminars around the country. New gurus constantly emerge. One individual, Robert Kelly of Oregon, has long occupied a special role in the movement, as the publisher of the *Americans Bulletin*, a bimonthly newspaper that acts as the “New York Times” of the sovereign citizen movement. Many new sovereign citizen theories first see print there.

The most influential sovereign citizen gurus are the ones who contribute new lore to the sovereign citizen canon, coming up with new pseudo-legal and pseudo-historical theories. Most sovereign gurus, though, repackage and repeat already existing sovereign citizen theories, or create variations of them. When Roger Elvick, an elder statesman in the sovereign citizen movement, came up with a package of new theories in 1999 that he called “redemption,” within only months a number of gurus were holding “redemption” seminars around the country, a practice that continues to this day. One such disciple, Winston Shrou of Oregon, has now become a “master” of his own, and a variety of lesser gurus now offer seminars based on his ideas (Kane was one such).

Some gurus, though, have theories so arcane that few others could ever easily repeat them. Perhaps the best example is David Wynn Miller, who has actually created (and uses) a completely alternative grammar for the English language, which he claims allows him to master the judicial system. Or, as Miller puts it on his Web site, “FOR THIS PLENIPOTENTIARY-JUDGE: David-Wynn: Miller's-KNOWLEDGE OF THESE CORRECT-SENTENCE-STRUCTURES-COMMUNICATION-SYNTAX-LANGUAGE=(C.-S.-S.-C.-S.-L.) IS WITH THE CLAIMS BY THE QUANTUM-LANGUAGE-SYNTAX-NOW-TIME-FACTS.”

## Sovereign Citizen Groups

In addition to gurus and their followers, sovereign citizen groups do emerge from time to time. Often they are informal groups of sovereign citizens in a particular geographic area, who meet together to share ideas or sometimes host a travelling guru. Sometimes they may give themselves names, such as a “constitutional study group” (not to be confused with similarly named groups started by Tea Party-type activists).

Occasionally sovereigns may form other types of groups. One of the more common types is a group that duplicates, resembles, or emulates a governmental entity. In the 1980s, for example, a Utah sovereign citizen named Walt Mann started the “township” movement, urging people to form their own independent “townships.” In the 1990s, vigilante “common law courts” became extremely popular in the sovereign citizen movement, with over a hundred forming. A few common law courts still exist today, such as the “Sovereign People’s Court for the United States” in Nevada, which has had over 100 people attend some of its meetings in recent years. Various sovereign citizens may dub themselves “private postmasters” or “private attorneys general.”

In the 2000s, no one such type of group has predominated. Some sovereign citizens, most notably a

group called Guardians of a Free Republic, have tried to create their own “grand jury” system (a sovereign citizen tactic dating back to the 1980s), arguing that such entities can nullify any law or judicial ruling. The most popular sovereign citizen group in the U.S. today is a spin-off of the Guardians led by Alabama-based guru Tim Turner (aka James Timothy Turner). Calling itself the Republics for the united States of America (lower case “u” intentional on their part) or RuSA, the group is a loose collection of Turner followers and local sovereign citizen groups. Larger sovereign citizen groups tend to be unstable and fractious.

One recent innovation, which may or may not prove popular, has been promoted by a few gurus, notably James Thomas McBride of Ohio. This is the so-called “Three Notary Panel.” This is an expansion of an older sovereign notion that notary publics actually have extensive powers, of which most people are entirely unaware, using the “Notary Protest Process.” Three notaries can form a special panel, or a sovereign citizen may select three notaries to form such a panel to help him or her, and when the panel convenes, it may subpoena people, authorize bogus liens, rule laws unconstitutional, and more. As a result, in some places, sovereign citizens are attempting to become notaries, to avail themselves of this “power.” As with so many other recent sovereign citizen tactics, its advocates often suggest these notary panels can be used to fight mortgage foreclosure.

### Sovereign Citizens on the Internet

As is true for most types of extremist movements, the sovereign citizen movement has come to rely heavily on the Internet for propaganda, recruitment, and funds. The Internet is particularly important to sovereign citizen gurus, as it gives them an inexpensive and reliable way to introduce people to their pseudo-legal theories and to promote their seminars and products (such as instructional manuals, form templates, and DVDs). It also is useful for sovereign citizen con artists to reach gullible victims. As a result, an increasing number of sovereign citizen gurus create their own Web sites.

From the perspective of rank-and-file or prospective sovereign citizens, the Internet is full of discussion forums and other venues where sovereign citizens can exchange information about strategies, their own experiences, their favorite mentors, and more. In the past few years, a number of sovereign citizens have aggressively exploited the new social media, utilizing social networking Web sites such as Facebook to connect and recruit, and video hosting services like YouTube to market various gurus and their theories. Sovereign citizen videos in particular are becoming increasingly common on-line; many gurus will even put up videos of a sample seminar, or portion of it, to market themselves and their theories. Sovereign citizens may also film traffic stops or other encounters with police, then upload the videos to the Internet.

In addition to these more or less standard ways for extremists to exploit the Internet, sovereign citizens have used the Internet in less common ways as well. For example, they have taken advantage of the recent emergence of document hosting sites (essentially like YouTube but for PDF files) to upload thousands of documents, especially templates and examples of various sovereign citizen paperwork. It is easy in 2012 to find downloadable templates that allow people to declare themselves sovereign citizens, file bogus liens on perceived enemies, or engage in other harassing or intimidating letters and filings.

They have also turned to the Internet to try to help solve a perennial problem that sovereign citizens

face: county and state officials refusing to accept and file their bogus documents. Although unfortunately some county recorder offices and secretary of state offices continue to accept all sovereign citizen filings, no matter what problems they may cause (sometimes out of ignorance, sometimes because of state law, but often out of a fear of being sued), a growing number of governmental recording/filing agencies now refuse to accept such pseudo-legal documents, thus stymieing the harassing or other intentions of the sovereign citizens trying to file them.

As a result, several on-line entities have emerged to accept sovereign citizen filings as “third party recording entities.” The National Republic Registry, for example, out of Mansfield, Texas, bills itself as “YOUR Solution to Hassle Free Public Recording.” GetNotice is a similar site operating from Fort Collins, Colorado; so too is America’s Public Record, based in Scottsdale, Arizona.

## IV. Composition and Makeup of the Sovereign Citizen Movement

The loose and unorganized nature of the sovereign citizen movement makes its size difficult to gauge, but it is clear that its membership is well into the tens of thousands, at the very least. The composition of its membership is somewhat easier to determine.

### Personality Types

Though an individual may get involved in the sovereign citizen movement for any number of reasons, three types of people turn up again and again when one examines its membership:

- People who are financially stressed. Whether the stress is due to unemployment, bankruptcy, creditors, spousal or child support, tax problems or something else, the desperation that comes with financial troubles can be a powerful motivator. Though many different extremist movements have tried to take advantage of economic troubles over the years to recruit new adherents, the sovereign citizen movement has an advantage in that it doesn't just offer people targets to blame for their woes (the banks, the illegitimate government, etc.), but it can also seem to offer relief in the form of a variety of pseudo-legal "solutions" that offer almost magical ways to get out of foreclosure, debt, or other financial troubles.
- People who are angry at government, especially government regulation. Some people develop intense antipathy toward government rules and regulations, from property codes to tax laws. Every unsuccessful encounter with the government simply makes them angrier. Consequently, when they encounter the sovereign citizen movement, with its alleged ways to get around laws and regulations, as well as tools of retaliation against government officials, they find the movement very attractive.
- Con artists and people who want "something for nothing." The sovereign citizen movement is full of theories that promise people quick riches or other seemingly magical benefits, from being able to eliminate a mortgage to be able to hide one's income in a series of trusts and make it immune to government scrutiny. As a result, the movement appeals powerfully to people who are always seeking a quick buck or something for nothing. It also appeals to con artists and confidence men and women who can use the movement's theories to create schemes to attract money from the greedy or the innocent alike.



## Demographics

Demographically, most sovereign citizens tend to be middle-aged or older. Many of the leaders of the movement are in their 60s and 70s. This has sometimes caused law enforcement officers to underestimate a sovereign's potential for violence, as there are fewer elderly violent offenders in general, but unfortunately there have been many armed confrontations between police and older sovereign citizens. However, the resurgence of the movement in the past several years have brought in a lot of new adherents, including young ones. The majority of sovereign citizens are male, but there is a sizable female minority and even a few female sovereign citizen gurus.

In its early decades, the sovereign citizen movement was overwhelmingly white. Indeed, a number of its founders and pioneers were explicit white supremacists. Today, there are still some white supremacists in the movement, typically followers of Christian Identity, a racist and anti-Semitic religious sect whose anti-government beliefs are often compatible with movements such as the militia, tax protest and sovereign citizen movements.

However, since the 1990s, the percentage of non-white sovereign citizens has increased substantially. The basic ideology of the movement is inherently anti-government, rather than white supremacist; moreover, it is infinitely adaptable to different circumstances. As a result, there are Asian sovereign citizens, Hispanic sovereign citizens, and so forth. Many members of the native Hawaiian secessionist movement are sovereign citizens.

It is among African-Americans, though, that the sovereign citizen movement has really seen growth over the past 15 years or so, so much so that an entire sub-movement of African-American sovereign citizens, who often describe themselves as "Moors," "Moorish," or "Mu'urish," has developed. The Moorish movement started as a mixture of ideas from the sovereign citizen movement and a religious sect called the Moorish Science Temple (MST). The movement has expanded beyond MST members to include other African-Americans (and, oddly, a few whites), while there are many MST members who do not adhere to sovereign citizen ideology at all, but there remain many connections between the Moorish movement and the MST.

The Moorish movement arose in the 1990s in northeastern cities and southeastern rural areas, which still tend to be its areas of strength. Adherents subscribe to all of the popular traditional sovereign citizen theories, but have added additional, Afro-centric pseudo-legal theories, such as the notion that a 1787 treaty between the United States and Morocco somehow gives "Moors" in the United States a set of special privileges and immunities. Ironically, most Moorish movement members have no idea that their ideology is descended from an extreme right-wing belief system created in part by white supremacists (though Moors frequently will cooperate with white sovereign citizens).

The tactics that Moorish movement adherents engage in are essentially identical to those practiced by other sovereign citizens. A few recent examples illustrate this:

- Elyria, Ohio, March 2012: Moorish sovereign citizen Kareen Tucker received a sentence of 25 years in prison on robbery, drug and kidnapping charges for a 2010 incident in which he and two other men kidnapped a man, then held his girlfriend and her three children at gunpoint

while demanding money. During his trial, Tucker, who defended himself, claimed that he had “diplomatic immunity” and that, because the Uniform Commercial Code allegedly governed law in the United States, he couldn’t face criminal charges because he did not have a “contract” with the state of Ohio.

- Akron, Ohio, May 2011: Moorish sovereign citizen Chico Rhasiatry of Akron, Ohio, was convicted for unauthorized practice of law, criminal trespassing and obstructing official business. Rhasiatry had introduced himself as “counsel” during the trial of another Moorish adherent, Demond El-Muur, and told the judge that El-Muur was an “Aboriginal” whose case had to be heard in a Moorish jurisdiction. Prior to his sentencing, he was found in contempt for again trying to represent someone and sentenced to a month in jail for this new offense.
- Detroit, Michigan, March 2010: A Detroit resident, Andre Frank Hardy, led police on an extensive chase rather than pull over for a traffic stop for expired plates (Hardy also allegedly had six outstanding warrants and a suspended license). Taken into custody, Hardy told police that, as a member of the Moorish Nation, the U.S. government had no authority over him.
- Newport News, Virginia, March 2010: A Newport News, Virginia, sovereign, Amun Asaru Heh-El, was brought to court to face four counts of driving without a license. Heh-El allegedly told the judge that he was not under the authority of the United States, and subsequently left the courtroom during a recess before the trial began (coincidentally, that afternoon the judge had to deal with a white sovereign citizen couple over a different issue).

A number of African-American sovereign citizens are also involved with fringe religious groups of different types. The most common such group, of course, is the MST. The Georgia-based “Nuwaubian Nation” is another fringe religion with a number of sovereign citizen members. From time to time, adherents of the Nation of Islam may also become sovereign citizens. One African American sovereign citizen in Tennessee claimed in March 2010 that he was a follower of Yahweh ben Yahweh, leader of the Nation of Yahweh, a black separatist religious sect.

This trend is not, however, limited to African-American sovereign citizens. Some white sovereign citizens also belong to fringe religious groups. In recent years, for example, some members of the polygamist Fundamentalist Church of Latter Day Saints, a controversial and radical offshoot of the Mormon church, have sported sovereign citizen license plates.

### **Prisoners as Sovereign Citizens**

Since the 1990s, hundreds, possibly thousands, of sovereign citizens have been sent to county jails or state or federal prisons. Though imprisoned, many of them have seen no need to curtail their sovereign citizen activities. Some sovereign citizens have continued their paper terrorism tactics

from behind bars, while a number of them have also been teaching the ideology of the sovereign citizen movement to other prisoners.

As a result, over the last ten years, a wave of prison-based sovereign citizen activity has swept the country, much of it generated by “traditional” criminals such as drug dealers or thieves, some of whom have actually become sovereign citizens themselves, with others simply trying some sovereign citizen tactics because they have been told they would work. In the mid to late 2000s, for example, as uncovered by an in-depth investigation by the Washington Monthly, a number of inner city Baltimore drug dealers have used sovereign citizen arguments during their trials. One public defender described it as “an infection that was invading our client population of pre-trial detainees.”

Some recent examples include:

- Southport Correctional Facility, Chemung County, New York, 2010: Prison officials charged sovereign citizen inmate Jose A. Fuentes with impermissible filing of documents, copyrighting his name and disobeying a direct order following their discovery that Fuentes, in a letter to his wife, directed his spouse to file harassing Uniform Commercial Code documents against corrections employees. He was found guilty of the charges; in 2011, a New York appeals court confirmed the conviction.
- Marion, Illinois, April 2010: Daniel Petersen, one of the leaders of the Montana Freeman, who engaged in an 81-day standoff with the federal government in 1996, was sentenced to 7½ years in prison for filing bogus liens against three federal judges. Petersen was still in federal prison at the time he filed the liens, serving out the 15-year prison sentence handed to him by U.S. District Judge John Coughenour, one of the victims of Petersen’s liens. Petersen’s full scheme reveals the ingenuity and energy of sovereign citizens. He not only filed liens against the federal judges, but also issued bounties for their arrests. Then he created a phony company and recruited other inmates to invest in it, promising them large sums of money after he collected the money (\$100 trillion, plus interest, he told them) that the government allegedly owed him.
- Queens, New York, March 2009: A Queens County court declared “null and void” a series of bogus liens placed on Queens prosecutors who had been involved in the case of Ronald Thompson, a convicted murderer serving a 20 years to life sentence at Sing Sing. Declaring that the prosecutors had violated his “copyright” by using his name without his permission, he claimed they owed him more than \$1 million.
- Miami, Florida, May 2009: Miami resident Marlon T. Moore was arrested for filing tax forms that claimed a total return of \$14 trillion. Moore had recently been released from federal prison after serving a six-year sentence on money laundering charges. According to a former fellow prisoner, Moore and another inmate, Willie Cameron, had become sovereign citizens while in a federal prison near Orlando. Cameron also allegedly filed a fraudulent return, but only for \$53,000 or so; he was also arrested.
- Terre Haute, Indiana, April 2008: Russell Dean Landers, another imprisoned member of the Montana Freeman, was sentenced to an additional 15 years in prison; Landers was one of

three federal inmates who had demanded millions of dollars from prison officials for using their “copyrighted” names without their permission. They were convicted of conspiracy and mailing threatening communications with the intent to extort.

## Law Enforcement

Amazing as it may seem, especially given that police are among the most common targets of sovereign citizens, sometimes even current or former law enforcement officers can get lured into the sovereign citizen movement. Though this is rare, in the past few years there have unfortunately been several such incidents, including:

- Sarasota, Florida, May 2011: The Sarasota Police Department fired officer Tom Laughlin because of his alleged involvement in the sovereign citizen movement. In the spring of 2010, reportedly at the urging of his older brother, Jimmy, a sovereign citizen adherent, Laughlin had filed documents claiming that he was an “American National Sovereign” and no longer a citizen of the United States. A few months later, the two brothers were involved in a traffic stop in St. Augustine, following which Jimmy sent demands to the state trooper who had pulled him over for over \$8 million in “penalties.” Jimmy Laughlin was charged with extortion, though those charges were later dropped. However, he was arrested on fraud charges for attempting to pay off a significant credit card debt using a bogus sovereign citizen “straw man” account. The two brothers also filed other sovereign citizen filings. Following these incidents, the Sarasota police opened an internal investigation on Tom Laughlin that resulted eventually in his firing. Laughlin appealed his firing to the Civil Service Board, but abandoned the attempt during his May 2011 hearing.
- Minneapolis, Minnesota, May 2010: Former Minneapolis police officer Douglas Earl Leiter received a 10 year sentence for his role as the leader of a sovereign citizen/tax protest group called Common Law Venue, which taught people how to use bogus trusts to evade taxes.
- Las Vegas, Nevada, March 2010: Jan Lindsey, a retired FBI agent from Henderson, Nevada, pleaded guilty to a felony count of tax evasion for evading \$109,000 in personal income taxes. Lindsey was one of four sovereign citizens and tax protesters arrested by the FBI in May 2009 following a three-year investigation into money laundering, tax evasion, and illegal weapons.

## Exporting Sovereign Citizenship

The sovereign citizen movement originated in the United States and for many years was present nowhere else. In the mid to late 1990s, however, the sovereign citizen movement and its cousin tax protest movement began to appear in Canada, primarily the western provinces of British Columbia, Alberta, and Saskatchewan. It was both imported into Canada by Canadians who had become exposed to sovereign citizen theories and exported to Canada by American sovereign citizen gurus who saw Canada as an easy way to expand their seminar audiences. David Wynn Miller was one such American guru who held seminars in Canada, at least until Canadian authorities banned him from the country. As a result, the movement now has a fairly strong presence in Canada—a presence that has experienced a resurgence in recent years just as the American sovereign citizen movement has.

More recently, sovereign citizen activists have been trying the same thing with regard to Australia and New Zealand. Despite the great distances, sovereign citizen guru Winston ShROUT has held seminars in Perth, Brisbane, and Adelaide in the past couple of years. David Wynn Miller has also held seminars in Australia—and has been banned from the country in the past, though despite this he apparently scheduled a major multi-city tour of Australia for the summer of 2010. Sovereigns now have at least a foothold in Australia and New Zealand.

The newest target for the sovereign citizen movement has been Great Britain. In early 2010, sovereign citizen guru Winston ShROUT visited London, while would-be British sovereign citizens have been imbibing the ideology from the Internet. Since then, some British sovereign citizens have already uploaded YouTube videos portraying or describing traffic stop encounters with British police.

One sovereign citizen-related incident has even become “international.” In January 2011, a federal grand jury in Nashville, Tennessee, issued a 21-count indictment against a British gun company owner, Guy Savage, and four Americans for allegedly engaging in illegal overseas arms sales. The American defendants subsequently reached plea deals with the government, but Savage decided instead to represent himself and use sovereign citizen arguments and tactics in his defense, including sending the federal court a demand for nearly \$250 million, claiming that the court—and indeed, the U.S. government—was a “legal fiction.” The U.S. government is attempting to extradite Savage from Great Britain to stand trial in the United States.

## V. Sovereign Citizen Tactics: Paper Terrorism

The array of tactics that sovereign citizens utilize is diverse and ever-changing. Some sovereign citizen tactics date all the way back to the 1970s, while others are brand-new. Sovereign citizen gurus probably read more statutes and codes than most attorneys or legal scholars, but they do so for entirely different reasons and in very different ways. They look for passages they can misuse, recast, take out of context, or exploit. Any phrase or definition can become fodder for a new pseudo-legal argument.

The most common sovereign citizen tactics fall into the realm of what has come to be termed “paper terrorism.” Paper terrorism involves the use of bogus legal documents and filings, or the misuse of legitimate ones, to intimidate, harass, threaten, or retaliate against public officials, law enforcement officers, or private citizens. Acts of paper terrorism can range from simple and straightforward acts, such as frivolous lawsuits, to more complex strategies, such as filing fraudulent IRS forms alleging that the victim has been paid large sums of money, in order to “sic” the IRS on him or her.

### Bogus Liens

Among the oldest paper terrorism tactics is the use of bogus or nuisance liens filed on the property of victims (often law enforcement officers or public officials). This has the effect of clouding the title of homes or other property belonging to the victim, who must hire an attorney to clear the title, at considerable expense in time and money. Despite dozens of laws passed in different states in the 1990s and 2000s to deal with the problem, it still is a very effective tactic, and commonly used by sovereign citizens.

Some of the many recent incidents include:

- Spokane, Washington, March 2012: A federal judge sentenced federal jury sovereign citizen Ronald James Davenport of Chewelah, Washington, to 41 months in prison after his conviction in November 2011 on four counts of filing more than \$20 billion in bogus liens against government officials. The victims had all been involved in a civil case against Davenport for unpaid taxes.
- Devine, Texas, February 2012: Podiatrist and sovereign citizen Donald Robinson of Devine, Texas, pleaded guilty in state district court to fraudulent filing of a financial statement for filing a lien on the home of a local police officer following a traffic stop. He was sentenced to two years of probation and 100 hours of community service. He had previously spent time in federal prison for filing false income tax returns.
- Baltimore, Maryland, February 2012: A federal judge sentenced Maryland sovereign citizen and tax protester Andrew Isaac Chance to 65 months in prison for filing a \$1.3 billion lien against a federal prosecutor (as well as a similar lien against a state prosecutor) involved in tax-related cases against him.



- Skagit County, Washington, January 2012: Sovereign citizen and tax protester Timothy Garrison received a 42-month federal prison sentence for his involvement in a tax fraud scheme. He had also filed more than \$500 million in bogus liens against a variety of public officials following a traffic stop.
- Minneapolis/St. Paul, Minnesota, January 2012: Thomas Wayne Eilertson and Lisa Joan Connery Eilertson were charged with filing more than \$100 billion in bogus liens against a variety of local public officials. Thomas faces 30 criminal counts, while Lis faces 47. The couple allegedly filed the liens while being foreclosed upon and evicted from their home in 2009-2010.
- Albany, New York, December 2011: Former IBM engineer and sovereign citizen activist Richard Ulloa was sentenced in December 2011 to five years in federal prison for filing \$4 trillion of bogus liens and other retaliatory and harassing filings against a variety of police, judges, government employees and private citizens. He and his followers even created their own “court” and issued bogus indictments against people and threatened to arrest them. Ulloa was also ordered to pay \$63,401 in restitution to Ulster County and a local credit union.
- Boerne, Texas, December 2011: Podiatrist and sovereign citizen Donald E. Robinson was indicted for allegedly filing a bogus lien on property owned by a Boerne police officer who had issued Robinson a citation during a 2009 traffic stop. The trial was scheduled for February 2012, but Robinson did not wait for the trial in order to become active. When he received a copy of the indictment, he wrote “accept for value—return for fraud” on the document (a standard sovereign citizen pseudo-legal notion) and sent it back, which resulted in his arrest in June 2011 for tampering with a government record. In a two-hour-long trial held in December 2011, in which Robinson represented himself, the jury deliberated for a mere six minutes before convicting him. He was sentenced to 14 days in prison. Robinson had previously served four months in federal prison for filing false income tax returns. In February 2012, he pleaded guilty to fraudulent filing of a financial statement (the lien charge) and was sentenced to two years deferred adjudication probation and 100 hours of community service.
- Mineral Bluff, Georgia, October 2011: Georgia Bureau of Investigation agents arrested sovereign citizen Robert Eugene Stephens of Mineral Bluff, Georgia, on 12 criminal counts related to a series of bogus liens Stephens allegedly filed against a variety of state and local officials, including a county clerk, a local judge and her secretary, the county tax commissioner, the Speaker of the Georgia House of Representatives, and others. Stephens allegedly called his liens “maritime liens.”
- Pensacola, Florida, September 2011: Sovereign citizen Mark D. Leitner received a 30-month federal prison sentence in Pensacola, Florida, in September 2011 for filing bogus liens against a variety of federal prosecutors, agents, and other officials who were involved in a 2010 criminal case against Leitner for tax fraud. Leitner had filed bogus maritime liens against the property of the victims and claimed that each victim owed him almost \$48.5 billion. Leitner was already serving a five-year sentence after being convicted in the 2010 case.

- Highland, New York, August 2011: Sovereign citizen Jeffrey Burfeindt received a six-month prison sentence after pleading guilty to mail fraud for filing \$736 billion in bogus liens against local police and government officials. The liens followed an incident in which he and another sovereign citizen, Ed Parenteau, were arrested for trespassing at a foreclosed-upon home. Parenteau was previously convicted in May 2011 and sentenced to 21 months in prison.
- Daytona Beach, Florida, June 2011: Sovereign citizen Patricio E. Sanchez filed a harassing lien for \$350,000 against a local judge and two attorneys who had been involved in a foreclosure case against Sanchez. As a result, Sanchez was jailed for almost half a year for contempt of court.
- Ogden, Utah, May 2011: Sovereign citizen Harvey Douglas Goff was indicted in federal court on 14 counts related to 77 bogus liens he allegedly filed against government entities and employees. He also allegedly mailed documents to state and local officials demanding payment of more than \$53 trillion in “damages.” These incidents followed a March 2010 traffic stop in which he allegedly claimed “diplomatic immunity.” Goff was charged with obstruction of justice, impeding internal revenue laws, fictitious obligations, attempt to commit mail fraud, mailings in furtherance of a scheme and artifice to defraud.
- Birmingham, Alabama, October 2010: Jefferson County sheriff’s deputies arrested father and son sovereign citizens Donald Joe Barber and Donald Jason Barber on charges of intimidating a witness (Donald Joe) and possession of a forged instrument (Donald Jason, who also faced other apparently unrelated charges). The charges allegedly stemmed of “actions” taken by the Barbers against various police and government officials, including alleged threats as well as filing bogus liens, such as a \$15 million lien against a local judge.
- Colorado Springs, Colorado, September 2010: A federal judge sentenced Ronald Roy Hoodenpytle to a year in prison and two years of supervised release following a conviction for filing a bogus lien against an IRS employee for \$1,160,000.

### Other Harassing Attempts

In addition to bogus liens, sovereign citizens have developed a large repertoire of tactics to intimidate, threaten, and retaliate against people, ranging from involuntary bankruptcy filings to a wide variety of threats and extortions to bogus criminal complaints. Some recent examples of these tactics include:

- Polk County, Florida, October 2011: Polk County, Florida, authorities charged members of a local sovereign citizen group with simulating legal process. The most prominent member, Jacob Franz Dyck, 72, had achieved notoriety for filing sovereign deeds on houses he did not own and for allegedly setting up trusts that would ostensibly protect other people’s property from foreclosure or seizure. The charges stemmed from an incident involving Gary Chenot of Lakeland, one of Dyck’s followers, who had outstanding vehicle loans and a mortgage on his home. Chenot allegedly placed the vehicles and home into trusts that Dyck created. Chenot, Dyck, and another person, Kim Clayton Perry, allegedly began sending various pseudo-legal



documents, including some from a common law court (a common sovereign tactic in the 1990s), apparently in order to get a bank to cease trying to reclaim one of the vehicles. In connection with this case, Chenot has been charged with grand theft, resisting an officer, and attempting to influence, intimidate or hinder law enforcement duties. Dyck has been charged with simulating the legal process. Perry and another person, Khamma Inthavong, have also been charged with simulated legal process.

- Talladega County, Alabama, January 2011: Two Alabama sovereign citizens were indicted on felony warrants from South Carolina for conspiracy and using sham legal process to intimidate or hinder a state or local official. The defendants, Gary Wayne Presley and Michael Donald Wilsey, were part of a sovereign citizen group called the Central Assemblies Union of the Several States of the Union of the States of the United States of America. Wilsey was also part of the Little Shell Pembina Band sovereign citizen group, a fictitious Native American tribe.
- Casper, Wyoming, October 2010: After sovereign citizen Ed Corrigan was found guilty of contempt in October 2010 for refusing to fix a variety of health and safety code violations on his property outside Casper, a sovereign citizen group calling itself a “Wyoming Grand Jury” allegedly met to re-hear the case, with sovereign citizen John Lee Cotton serving as the vigilante jury’s foreman. These “jurors” subsequently tried to file a presentment criminally charging four local government officials and judges for violating their oaths of office. “At this point,” Cotton told one reporter, “we have no strong arm of the law to back us up; but that day will come.”

## VI. Sovereign Citizen Tactics: Counterfeit Documents and Entities

Sovereign citizens are some of the most brazen counterfeiters around. They create fake license plates, drivers' licenses, vehicle registrations, insurance cards, identification cards, and passports. Even more ambitiously, sovereign citizens have created fictitious financial instruments, such as "sight drafts" and "bills of exchange;" fictitious countries, colonies, and even Native American tribes; fictitious law enforcement agencies and more. They are constantly engaged in ways to create spurious forms of documentation and authority to help them avoid the reach of the actual government.

### Fictitious Documents and Identification

One sovereign citizen fad that has been sweeping the country in recent years is the notion of "diplomatic immunity," in which sovereigns declare themselves "diplomats" and their homes as "embassies." Once they have done so, they will create or procure their own "Diplomatic Agent" identity cards and attempt to use them in various circumstances, such as traffic stops.

Some recent examples include:

- Indianapolis, Indiana, November 2011: Indianapolis police pulled over a sovereign citizen, Mark Osborn, who allegedly claimed that he did not have to have a driver's license or register his motorcycle. Instead, Osborn showed officers an identification card that proclaimed Osborn a "diplomat." Local reporters discovered that vehicles on his property had license plates that read "Free State Republic." Following the traffic stop, Osborn demanded that Indiana pay him \$1.6 million in gold or silver coins. In April 2012, Osborn was arrested again by Indianapolis police on a number of charges for allegedly still driving his SUV with his "Free State Republic" plates.
- Austin, Texas, October 2011: Sovereign citizen Randall Kelton of Austin, Texas, received a one-year prison sentence and a \$4,000 fine for impersonating a licensed investigations company officer in order to give evidence to a grand jury on behalf of Robert Fox, a sovereign citizen guru and leader of the so-called "House of Israel." Kelton represented himself in the trial, which is common for sovereign citizens.
- Norfolk, Virginia, September 2011: Roland Lee Morrison, aka Rashid Muhammad, a "Moorish" sovereign citizen, was convicted of two counts of fraudulent assertion of diplomatic immunity following a 2010 open container incident in which Morrison proclaimed to police that he had "sovereign immunity" and presented a Moorish diplomatic identification card as his ID. In December 2011, he was sentenced to time served (more than a year in jail).
- Arab, Alabama, September 2011: Officers from the Arab, Alabama, Police Department arrested a sovereign citizen, Soni Dale Jackson, following a traffic stop. Jackson had

allegedly been using a bogus identification card that claimed he was actually Soni Dale Carlee. Jackson also pulled out a common sovereign citizen document called a Public Servant's Questionnaire and demanded the officer fill it out. According to a statement that Jackson made in an on-line forum in November 2011, Jackson told the officer he had no driver's license but had a "Common Law Identification Card." Jackson also claimed that he had made a "common law name change" to "Soni-Dale: Carlee."

- Bartlett, Tennessee, July 2011: Sovereign citizen Joseph Augustine Dattilo, Jr., of Indiana was arrested on several traffic charges related to driving with a home-made "United States" tag on his vehicle. In court, Dattilo contended that the court had no jurisdiction over him, that he was not required to have a car registration or driver's license, and that he did not need car insurance because he had a "\$10 million bond." The judge fined him.
- Front Royal, Virginia, July 2011: Front Royal police officers arrested Randy Linamen of Manassas following a traffic stop in which Linamen reportedly tried to give police a "Kingdom of Heaven" driver's license instead of a legitimate one. Linamen also allegedly attempted to drive away during the traffic stop, but was prevented from doing so by police. He was charged with driving after revocation as a habitual offender. After police found a gun and ammo in the vehicle, he was also charged with being a felon in possession of a firearm.
- Hollidaysburg, Pennsylvania, July 2011: The state police arrested Don Ralph Ickes, Jr., of Osterburg, Pennsylvania, on charges of resisting arrest, disorderly conduct, and various motor vehicle violations following a traffic stop because Ickes' vehicle was allegedly displaying a bogus license plate issued by the Embassy of Heaven, an Oregon-based sovereign citizen group that has marketed bogus plates, drivers licenses and vehicle registrations to the sovereign citizen movement since the 1990s. Ickes allegedly refused to cooperate during the traffic stop and ended up being dragged from the vehicle by the state trooper.
- Vay, Idaho, June 2011: After police stopped a vehicle on I-90 for allegedly carrying a homemade license plate, they discovered that the driver, sovereign citizen Alexander Duncan Campbell, had a loaded 9mm pistol inside. Campbell was arrested and charged with carrying a weapon without a license and failure to purchase a driver's license. He was also subsequently arrested for a failure to appear in court charge on another driver's license incident in 2008 in another county.
- Staunton, Virginia, May 2011: Sovereign citizen Michael Creath Jones of Hanover, Virginia, was charged with five misdemeanors following a traffic stop in Staunton, Virginia. Jones had been pulled over by a Virginia state trooper for allegedly having a license plate that had been modified with phrases such as "private use." During the stop, Jones allegedly refused to cooperate with the trooper. He was charged with resisting arrest, obstructing justice, driving without a license, operating an uninsured vehicle and driving with defective equipment.

## Fictitious Financial Instruments

Because most sovereign citizens claim that paper money is unconstitutional, with gold and silver the only lawful forms of currency, they find it easy to rationalize creating their own forms of paper money, claiming they are at least as legitimate as Federal Reserve Notes. Sovereign citizens have engaged in this tactic since the early 1980s and it is still common today. Over the years, sovereign citizens have called such fictitious financial instruments by a variety of names, including certified money orders, comptroller's warrants, bills of exchange, and sight drafts, among others. Currently popular are "bond promissory notes" or "bonded promissory notes." Some recent incidents include:

- Kansas City, Missouri, February 2012: Sovereign citizen Danny Ray Hardin received a 10-year federal prison sentence after being convicted of 21 counts of mail fraud and creating fictitious financial instruments for selling \$100 million in bogus "promissory notes" as part of the "Private Bank of Danny Ray Hardin." The notes were used by purchasers largely to pay off mortgages. At the time of his 2010 indictment, Harbin was already in prison. His probation for an earlier conviction had been revoked after he tried to arrest the lieutenant governor of Kansas for "violating the Constitution."
- Hammond, Indiana, December 2011: Christopher Cannon, a sovereign citizen from Gary, Indiana, was convicted in federal court for using 181 counterfeit bills to buy large-screen televisions in Hobart in 2010. During his trial, Cannon claimed the government had no jurisdiction over him. The counterfeit currency was made from \$5 bills that had been made to look like \$50 bills. "Traditional" counterfeiting is rather rare in the sovereign citizen movement, which usually prefers to create entirely fictitious financial instruments with titles such as "bills of exchange" or "promissory notes."
- Bakersfield, California, October 2011: A federal jury convicted Michael Ioane of Atwater, California, of conspiracy to defraud the U.S. and of four counts of presenting fictitious documents to the U.S. Ioane was involved with Acacia Corporate Management and First Amendment Publishers, which marketed bogus trusts to people as ways to avoid paying taxes. Ioane also created fictitious financial instruments called "Bills of Exchange" to send to the IRS to eliminate tax debt. A codefendant, Vincent Steven Booth, previously pleaded guilty in 2010.
- Kansas City, Missouri, June 2011: Husband and wife defendants Roderick Moore and Amber Catrece Moore of Kansas City were sentenced in federal court to, respectively, 13 months in prison and three years of probation. Earlier in the year, Roderick Moore had pleaded guilty to one count of mail fraud and his wife to conspiracy to commit wire fraud. Roderick Moore had created a popular sovereign citizen fictitious financial instrument, a "Registered Bonded Promissory Note," to pay off over \$200,000 in debts. Amber Moore had filed bogus liens against several government officials or entities.

## Fictitious Law Enforcement Entities

Some of the most troubling counterfeit entities that sovereign citizens establish are fictitious law enforcement agencies. Sovereign citizens have declared themselves members of the Constitution Rangers, Republic of Texas Rangers, u. S. [sic] marshals, Civil Rights Task Force, and more. Sovereigns who purport to represent such agencies often have identification cards, badges, and sometimes even accoutrements such as police raid jackets. Using these props, sovereign citizens have attempted to get past courtroom security, to extricate themselves from encounters with police, and even to intimidate or “interrogate” others. The most popular current fictitious law enforcement agency is probably the “County Rangers,” which has appeared in a number of states (along with a variant, the so-called “American Rangers”).

Among recent examples of such items are the following:

- Spanaway, Washington, November 2011: Kenneth Leaming, a sovereign citizen from Spanaway, Washington, was charged with three charges related to filing a series of bogus liens in 2010 and 2011 against federal judges, prosecutors and law enforcement officers that totaled around \$225 billion. Leaming, formerly a Thurston County deputy sheriff, is one of the leaders of the so-called “County Rangers,” a fictitious law enforcement agency created by the sovereign citizen movement that has been growing in popularity. In the past, Leaming has been involved with other sovereign citizen groups, including the Civil Rights Task Force (another fictitious law enforcement agency) and the Little Shell Pembina Band of North America, a fictitious Native American tribe. He had allegedly filed the liens in response to conflicts with authorities over a previous criminal case in which he was convicted.
- San Antonio, Texas, October 2011: Police arrested sovereign citizen Gregory Brent Davis in October 2011 in San Antonio on charges of impersonating a peace officer and unlawfully carrying a weapon for allegedly pretending to be a Texas Ranger. He had previously been arrested on the same charges in August 2011. In the earlier instance, he had allegedly been allowed into a rodeo without paying admission by claiming to be a “colonel of Rangers;” in the later instance, he allegedly entered a bank while wearing a badge and carrying a gun. Davis is part of the Republic of Texas, a large and long-running Texas-based sovereign citizen group, which has had a history of adherents posing as fictitious Texas Rangers.
- Kerrville, Texas, October 2010: A local judge sentenced two sovereign citizens, father and son, for impersonating police officers. Both persons, Charles Tiller III and Charles Tiller IV, are members of the so-called Republic of Texas, a large sovereign citizen group based in that state. Charles Tiller III was charged earlier in the year with a felony count of impersonating a public servant after he had allegedly identified himself as a constable while trying to order a badge. He received a sentence of three years of probation and a \$2,000 fine. His son, Charles Tiller IV, was charged with falsely identifying himself as a peace officer for allegedly putting a sign on his vehicle identifying it with a star and the phrase

“Bexar County Sheriff’s Department.” He pleaded no contest and was sentenced to two years’ probation and an \$800 fine. Kerrville has historically been a hotspot in Texas for the sovereign citizen movement.

- Eureka, Montana, June 2010: U.S. customs officials in Montana ordered a Canadian sovereign citizen living in the United States to leave the country after he pleaded guilty to charges of domestic abuse. The man, Donald Roy Fehr, was also part of a sovereign citizen group that dubbed itself the “County Rangers.” Fehr had allegedly made threatening telephone calls to a local justice of the peace and had begun to show up at local government meetings wearing a uniform sporting a badge, and carrying a pistol.

### Fictitious Nations, Quasi-Nations and Tribes

Members of the sovereign citizen movement, in order to escape the jurisdiction of a government they believe is illegal, frequently try to create their own fictitious governmental or quasi-governmental entities, largely in an attempt to avoid authority. For example, in the 1990s, a group of sovereign citizens invented a fictitious British colony, the “British West Indies,” and manufactured and sold realistic looking license plates that purported to come from this colony.

This tactic continued in the 2000s, surging along with the rest of the sovereign citizen movement beginning in 2009. To give just one example from among many, in Harrison, New York, in May 2011, Harrison police officers arrested sovereign citizen Jason R. Mack for second-degree criminal impersonation for allegedly providing “Moorish” identification documents, including an “Indigenous Government ID – Tax Exempt” that identified Mack as an “aboriginal MINISTER Cherokee Choctaw Native.” Another card claimed that its bearer was exempt from taxation because he was a “minister.”

In the 21st century, such tactics have not abated. Notable examples of fictitious tribes include:

- Little Shell Pembina Band of North America. Perhaps the most “successful” such attempt was the creation in 2003 of a fictitious Native American tribe dubbed the Little Shell Pembina Band of North America, which quickly spread across the United States. In 2010, some of its original members have dropped out, but the concept itself has remained very popular, and Little Shell related incidents regularly pop up, many of them involving frauds or scams of various kinds (see frauds and scams section). To give one recent example, two Little Shell members, Gregory Allen Davis and Michael Howard Reed of North Dakota, were sentenced in February 2011 for filing \$3.4 million in bogus liens against a federal judge and federal prosecutors in 2009. Reed received a nine year sentence, Korman a sentence of three years and five months. They were arrested after Reed threatened a judge who refused to dismiss federal drug charges against two other Little Shell members and Davis filed a bogus lien against another judge and against an acting U.S. Attorney for not dismissing a firearms charge against Reed. They were subsequently convicted of conspiring to file and filing false liens against federal officials; Reed was also convicted of obstruction of justice.

“Little Shell” adherents now use several different variations of the original name of the group. However, they are unrelated to the similarly-named Montana-based Little Shell Tribe, which is not a sovereign citizen group.

- Washitaw Nation/Empire. This sovereign citizen group emerged in Louisiana and Texas in the mid-1990s. It is one of several sovereign citizen groups that are essentially Moorish in nature but also claim “native” status. Washitaw members claim they are descendants of the ancient mound-builders of the Mississippi Valley. Members have created license plates, diplomatic identification cards and similar fictitious sovereign citizen documents. Although in the 1990s the Washitaw was essentially a single group, by the end of that decade it had become more of a concept and today there are a number of completely independent “Washitaw” sovereign citizen groups across the country. In April 2010, a Washitaw member in Greensboro, North Carolina, Tornello Fontaine Pierce El-Bey, sued the city for \$7 million, claiming that a police officer had violated his rights during a March 2010 traffic stop. When stopped, El-Bey told the officer he was not a U.S. citizen and tried to present a diplomatic identification card instead of a drivers’ license. El-Bey also claimed a copyright violation for his name appearing on the ticket the officer issued.
- United Nations of Turtle Island (UNOTI). UNOTI is based primarily in east Tennessee, western North Carolina, and northern Georgia, although “members” have been found as far away as California. UNOTI has been creating bogus license plates, driver’s licenses and similar documents since around 2003.
- Sovran Nations Embassies of Mother Earth (also known as Sovran Unity Nations). Sovran is a group that started up recently in Montreal in Canada, but has now spread to a number of places in Canada and the United States, with contact points in California, Arkansas, Montana, and Hawaii. One of their Montana contact points is in the tiny town of Roundup, famous in 1995-1996 for being one of two towns housing the Montana Freemen.
- Wampanoag Nation, Tribe of Grayhead, Wolf Band. This small group emerged in the 2000s in eastern Utah (unrelated to the legitimate Mashpee Wampanoag Nation in Massachusetts), issuing driver’s licenses and filing lawsuits against a variety of public officials and law enforcement officers, including a \$250 million lien against a Uintah County prosecutor. In May 2008, a federal judge ordered a \$63,000 civil judgment against four of its organizers, ordering them to stop their “complete sham.”



## VII. Sovereign Citizen Tactics: Frauds and Scams

For decades, the sovereign citizen movement has been home to hundreds of con artists and tricksters who use the language and pseudo-legal theories of the movement to beguile people into giving them their money. It is not uncommon for successful sovereign con artists to get more than a million dollars out of their schemes; several of the largest sovereign-involved scams have raked in over a hundred million dollars.

Among the most common type of sovereign scams are pyramid schemes, other investment schemes, bogus trust scams, real estate fraud, and various types of tax frauds. However, sovereign citizens have engaged in more esoteric scams as well, ranging from immigration fraud to malpractice insurance fraud. Some sovereign scam artists will target anybody, while others actually primarily target adherents of the sovereign citizen movement themselves, in a form of affinity fraud.

Any sort of debt can also potentially be fodder for a sovereign citizen scheme: student loans, car loans, credit card debts, etc. In March 2010, for example, eight operators (from Oregon, Washington, New York and Florida) of a sovereign citizen and tax protest group called Pinnacle Quest International were convicted of tax fraud, wire fraud and money laundering charges. Among their various enterprises was Financial Solutions, operated by Arthur Merino of Renton, Washington, which charged victims thousands of dollars to “eliminate” their credit card debt. Many victims were forced into bankruptcy after discovering the scheme did not work.

Some recent examples of sovereign citizen scams include:

- Erie, Pennsylvania, July 2012: A federal judge in Erie, Pennsylvania, sentenced tax protester, sovereign citizen, and Erie County Councilman Ebert G. Beeman to 12 months and one day in prison following his conviction on eight counts of Social Security fraud. Beeman allegedly used a fake name to fraudulently obtain a Social Security number, then used it to apply for jobs, credit cards, and a car loan. Beeman has had other legal problems as well, including a long-running battle with the IRS for \$2.1 million in unpaid income taxes, penalties, and interest. In that case, Beeman unsuccessfully represented himself, using sovereign citizen pseudo-legal arguments. In October 2011, FBI agents seized property owned by Beeman to help repay the debt. In November, Beeman was found guilty of violating a federal court order directing him to vacate the properties seized by the IRS; federal authorities had allegedly found him hiding in the bathroom of one of the properties. Beeman has also been cited at least eight times for driving without a license. He mailed two such citations to a local judge with the words “refuse for cause” written on them—a common sovereign citizen tactic.
- Ventura County, California, March 2012: Ventura County sheriff’s deputies arrested Sharon Palmer, James Cecil Stewart, and Eugenie Victoria Bloch on charges of conspiracy to commit a crime, money laundering, grand theft, and failure to file an income tax return. James Stewart was a sovereign citizen who signed his name with sovereign punctuation as

“James-Cecil: Stewart.” In a February 2012 document purporting to be a signed “statement under oath” by Stewart, he claimed that the state of California had no jurisdiction over him. The defendants ran businesses such as Healthy Family Farms and the Rawesome Food Club, which allegedly illegally produced and sold unpasteurized or “raw” milk (for which they were charged in August 2011). Prosecutors charged that they stole more than \$1.5 million from investors in the business.

- Las Vegas, Nevada, October 2011: Samuel Davis, a prominent sovereign citizen “guru,” received a federal prison sentence of 57 months in Las Vegas, Nevada, for his role in a \$1.3 million money laundering scheme. He was also ordered to serve three years of supervised release and to pay almost \$100,000 in restitution. Davis pleaded guilty in March 2011. A co-defendant, Shawn Talbot Rice, remained a fugitive for months until his capture in December 2011 following a brief standoff.
- Maui, Hawaii, May 2011: Five sovereign citizens were indicted by a federal grand jury for their involvement in a tax and mortgage fraud scheme. The defendants, Mahealani Ventura-Oliver, John D. Oliver, Pilioloha K. Teves, Leatrice Lehua Hoy, and Peter Hoy, were charged with 25 counts of fraud, money-laundering and tax-related charges. Using several groups, they had allegedly collected nearly \$500,000 in fees from 2008-2010 for a “debt assistance program” that they claimed could eliminate mortgage, credit card, and other debts. They had also allegedly prepared false income tax filings and issued fictitious financial instruments such as bonds, promissory notes, and money orders. The sovereign citizen movement has long been active in Hawaii, where it is often associated with segments of the native Hawaiian independence movement.
- Indianapolis, Indiana, August 2010: An Indianapolis jury found sovereign citizen Walter Eugene Lunsford guilty of multiple counts of fraud and theft for attempting to use Federal Reserve routing numbers in a scheme to get free cars from an Indianapolis car dealership for himself and his friends. Lunsford’s scam was initially successful when he tried it, but failed when all of his friends showed up at the car dealership on the same day to repeat his tactic, one of them even allegedly offering to “buy” a car for one of the employees of the dealership. He received a two year sentence of home detention after agreeing to help federal and state investigators.

## Mortgage/Foreclosure Schemes

Of the many sovereign schemes active today, some of the most troubling are schemes purporting to allow victims to save their homes or property from foreclosure. They are especially troubling because they target desperate property owners and can potentially take their last dime and at the same time insure that they will lose their property. None of their schemes actually have the ability to save property from foreclosure.

Such schemes date back to the serious recession and farm crisis of the early to mid-1980s, and regularly reappear. From 2003-2006 a major wave of sovereign citizen mortgage scams swept the United States, with more than a half dozen major groups (some operating as multi-level marketing schemes so that they had hundreds of “associates”) offering what they dubbed “mortgage

elimination.” Victims would pay thousands of dollars to have their mortgages “eliminated” within four to six months, only the “elimination” would never actually occur. Although consumer alerts from a variety of federal and state sources helped to stem this tide of scams, only a relatively few perpetrators were ever prosecuted. One group that was investigated and successfully prosecuted was the California-based Dorean Group, whose leaders, Kurt Johnson and Dale Scott Heineman, were convicted of 35 counts of mail fraud in 2008 and sentenced to 25 and nearly 22 years in prison, respectively.

Since the foreclosure crisis broke in late 2008, a new wave of mortgage-related sovereign citizen schemes has appeared, as sovereign citizen gurus around the country have leapt to take advantage of a large pool of people newly worried about saving their homes from seizure. Many, perhaps most, sovereign citizen gurus have rushed to add mortgage-related material to their seminars. “Our plan is really simple,” explains the Web site of one such entity, the Debt Free Sovereign Trust, operating in Washington state and British Columbia. “To eliminate your debts, we simply assume your debts....All debts arising from privately created money or ‘digitally created’ money can be eliminated.” The cost? Only \$1,000 for “expenses.”

A mortgage scheme in Hawaii charged considerably more. In late 2008, the FBI began investigating a mortgage elimination ring that charged victims between \$2,500 and \$10,000 to attend seminar and meetings where people were given special \$1 million “Royal Hawaiian Treasury Bonds” that they could allegedly use to pay off their mortgages (a sovereign citizen tactic dating back to the 1980s), though they would have to make payments to the mortgage elimination ring for a while. Of course, the bonds turned out to be worthless.

Many gurus do not themselves offer to eliminate people’s mortgages or save their homes, but rather market schemes or instructions as to how people can do it on their own. The gurus make less money, taking in seminar and materials fees and sometimes perhaps acting as “consultants,” but probably believe they face less risk of criminal prosecution.

Sovereign citizens have come up with a variety of pseudo-legal ways to attempt to “protect” their property. One such tactic, which dates back to the early 1980s, is attempting to use gold or silver coins to purchase properties or interfere with their resale. The theory behind such attempts rests on the sovereign citizen belief that paper money holds no value and only gold or silver actually is valid money. For example, in 2008, three Pennsylvania sovereign citizens—Victor Ballea of Allentown, Michael Proetta of Whitehall Township, and Michael Reis of Bethlehem—attempted to purchase foreclosed property with gold and silver coins. When outbid, they challenged the bids. Proetta explained that the other bidders “made an unlawful money bid in credit in opposition to my lawful money bid. I was the only lawful bidder and therefore the only bidder.” The men might not have been trying to obtain the properties for themselves but trying to hinder the banks’ ability to re-sell the properties by challenging their ownership (as actually happened; it was not until 2010 that their suit was dismissed).

Another ancient sovereign tactic given new life in recent years is the notion of putting a lien on one’s own property because of the “sweat equity” an owner has put into it. The theory is that no other creditor can take the property until the owner’s lien has been satisfied. As one Michigan-based Moorish sovereign citizen group, the Moorish Republic Trust, puts it, “Under common law,

life experience has value. The idea is that you have lived, worked, played, laughed, cried, in other words, you have put yourself into the property, and the property owes you as a result.” The Moorish Republic Trust suggests that the figure of \$3,000 per year of ownership is an “uncontestable” figure; they generously offer to help people, presumably for a fee, prepare such “common law liens.” However, the courts have ruled that such self-targeted liens are illegitimate.

Most common has been the resuscitation of the notion of the “land patent.” Sovereign citizens take historical and legal references to an old legal concept (land patents are how the federal government historically transferred title of public lands to private ownership) and imbue it with the magical quality of being able to protect one’s property from creditors and foreclosure. Along with the related concept of “allodial titles,” the “land patent” concept dates at least as far back as the early 1980s in the sovereign citizen movement—and has been struck down by the courts many times. In recent years it has seen new life, as sovereign citizens across the country have begun promoting the notion and offering instructions—for a price.

“The mortgage industry doesn’t want anyone to know about land patents,” claims one Web site promoting the tactic. According to these promoters, “a land patent claim has never successfully [been] challenged in court.” How are more people are not aware of land patents? Because “state and local authorities are in collusion to ensure that this information never reaches the public.”

Many sovereign citizens have rushed to become land patent promoters, including people one might not ordinarily associate with such schemes. One example is Rita Granberry, a model who helped parley stints on the Howard Stern radio show into a career as a nude model. Of Afro-Italian descent, Granberry recently became involved with the Moorish movement, changed her last name to Granberry-El, and even delivered presentations (one of which was uploaded to YouTube) promoting the notion of land patents.

Granberry-El has a lot of company. In fact, not only are sovereign citizens heavily involved in promoting the notion of land patents, but the idea has now slipped the bounds of the movement and some non-sovereign con artists have also recently picked up on the scheme.

Some sovereign citizens have been taking advantage of the foreclosure crisis in a very different way: by appropriating for themselves homes in foreclosure. Typically, sovereign citizens would identify foreclosed-upon homes whose occupants had been evicted but which had not yet been resold by the bank. They would then file bogus deeds, change the locks, and move in. The more ambitious would actually become de facto landlords by renting out the seized properties to others. Sovereign citizen “squatting” incidents have occurred in every region of the country.

Some recent sovereign citizen mortgage scam and “squatting” incidents include:

- Memphis, Tennessee, March 2012: A federal grand jury indicted sovereign citizen Devitoe Farmer on three counts of theft of government property after Farmer allegedly used bogus quit-claim deeds in an attempt to take possession of foreclosed houses from government agencies or government-backed housing lenders. According to news reports, Farmer claimed that since 1933, federal law has prevented government agencies and banks from possessing property. He may also face state charges.

- Appleton, Wisconsin, March 2012: Erik Hudson (aka Kabir Bey) of Appleton, Wisconsin, was convicted of criminal property slander after using a bogus warranty deed to seize a foreclosed-on home and then renting it out—a popular sovereign citizen tactic in recent years. Hudson, a member of the Moorish offshoot of the sovereign citizen movement, told the judge, “I’m not in a state of mind of Wisconsin, I’m in a state of mind of Moorish America.”
- DeKalb County, Georgia, October 2011: A DeKalb County grand jury indicted Susan Weidman, Ian Greye, Giulio Greye, and Mathew Lowery on charges related to a “squatting” scheme, in which the defendants allegedly seized and occupied vacant foreclosed-upon houses in four different Georgia counties. Weidman, the alleged ringleader, was indicted on state racketeering charges. The suspects, at least some of them self-declared sovereign citizens, have decided to represent themselves in court.
- Charlotte, North Carolina, October 2011: Mecklenburg County authorities reported a rash of filings—more than 200—from Moorish sovereign citizens who allegedly claimed that their group membership gave them the right to claim vacant homes for their own. In one reported case, two individuals entered a dwelling and claimed that they now had a deed for the house. Several people have been arrested in connection with some of these incidents, including Kenneth William Lewis, charged with obtaining property by false pretenses, possessing stolen goods, breaking and entering and trespassing; and Asaru Aalim Ali, charged with breaking and entering and trespassing.
- Tucson, Arizona, September 2011: A federal grand jury in Tucson indicted two sovereign citizens, Marshall Home and Margaret Elizabeth Broderick, for an alleged mortgage fraud scheme. They were charged with 10 counts of mail fraud, bankruptcy fraud, and wire fraud. Home and Broderick, associated with the ‘Individual Rights Party’ and the ‘Mortgage Rescue Service,’ allegedly charged people \$500 to “help” people facing foreclosure. However, their rescue services reportedly consisted of bogus sovereign citizen filings, such as an involuntary petition of bankruptcy against the U.S. government. They also allegedly registered as trade names the formal names of government-sponsored loan organizations Fanny Mae and Freddie Mac, then used those names to file fraudulent deeds on property owned by those organizations and transfer them to the Independent Rights Party (following which, they would allegedly rent out the properties).
- Chicago, Illinois, August 2011: Cook County officials discovered that a Moorish sovereign citizen or sovereign citizen group allegedly filed bogus deeds on more than 30 Chicago-area homes and properties with an estimated worth of more than \$10 million. Many of the deeds listed the Moorish Science Temple of America and/or Noble Drew Ali (the group’s long-dead founder) as the owner. However, MSTC officials have claimed to have had nothing to do with the deeds and that the MSTC itself was being victimized by this.
- Mullica Township, New Jersey, July 2011: Police in Mullica Township, New Jersey, arrested Moorish sovereign citizen Jolanda S. Bordley-Jackson-El for allegedly stealing a foreclosed home worth \$300,000. As has been typical in such cases, Bordley-Jackson-El

allegedly filed a bogus deed to the house, then changed the locks and utilities. She was charged with theft by deception and forgery.



## VIII. Sovereign Citizen Tactics: Threats, Takeovers and Violence

Sovereign citizens engage in harassing tactics such as bogus liens, as well as a variety of scams and frauds, but as the West Memphis shootout involving Jerry and Joseph Kane tragically demonstrated, they are willing to resort to violence as well.

Indeed, threats and ultimatums, attempted “citizens arrests” and takeovers of government or other buildings, and acts of violence, especially during traffic stops and residence visits, are common among the sovereign citizen movement, making them a serious officer safety threat as well as a potential threat to public officials and private citizens in the communities in which they operate.

In addition to the West Memphis shootout, other recent incidents include:

- Valparaiso, Indiana, July 2012: A Michigan truck driver and sovereign citizen, Martin J. Jonassen, 55, was convicted of kidnapping and obstruction of justice in September 2011 for allegedly kidnapping his 21-year old daughter in September 2011 from her Missouri home in order to take her to his home in Michigan. According to court documents, his daughter had never been to school and had only read books about religion, history and the government that had been approved by her father. The woman escaped while they were travelling through Portage, Indiana. Jonassen recaptured her, but not before residents saw her running naked through the streets and reported the incident to police. Jonassen was arrested when police found the two together. Jonassen has been charged with federal kidnapping charges, as well as local charges of felony confinement. Following his arrest, he filed a petition with the federal and local courts, stating that they had not proven they had any jurisdiction over him as a sovereign citizen of Michigan. He was also subsequently charged with two counts of obstruction of justice for trying to get his daughter to change her testimony. At a court hearing, he pleaded not guilty “under duress” and claimed that he was “a man of the land, born of the land.” He represented himself during trial.
- Fairbanks, Alaska, June 2012: Alaska militia leader and sovereign citizen Schaeffer Cox and two other defendants, Coleman Barney and Lonnie Vernon, were convicted of a variety of charges related to a plot to kill state and federal officials. Cox, the ringleader, was convicted of 9 of the 11 charges against him, including conspiracy to murder, solicitation to murder and seven weapons charges. The three defendants, and two others, all belonging to either a local militia group, sovereign citizen group, or others, were arrested in Fairbanks, Alaska, in March 2011, on state and federal weapons and other charges related to an alleged plot to kill Alaska state troopers and other state and federal officials.
- Colleyville, Texas, February 2012: A Tarrant County jury sentenced sovereign citizen James M. Tesi of Hurst, Texas, to 35 years in prison after convicting him of aggravated assault on a public servant with a deadly weapon. Tesi was wounded in July 2011 during a shootout with police in the town of Colleyville, near Fort Worth. Prior to the shooting, Tesi, who signs his name “James-Michael: Tesi” and calls himself a “true natural living



being,” had been involved with several previous incidents with police in Arlington and Colleyville. In February 2010, Arlington police stopped Tesi and cited him for failure to wear a seatbelt. Tesi allegedly refused to pay the fine, claiming that the police and court had no jurisdiction over him. Because of the nonpayment, an arrest warrant was issued. The following December, Colleyville police stopped him for speeding, then arrested him because of the Arlington warrant. After alleged continued non-cooperation, Colleyville itself eventually issued an arrest warrant for Tesi. In July 2011, a Colleyville police officer spotted Tesi’s car. When Tesi allegedly refused to pull over, the officer followed Tesi home. After getting out of his vehicle, Tesi allegedly fired at the officer, who returned fire and wounded Tesi in the face and foot.

- Valencia, California, February 2012: Self-declared sovereign citizen Vahe Ohanian was arrested after entering a sheriff’s station in Santa Clarita Valley and allegedly threatening deputies there, telling them he would return with a shotgun. According to police, in postings on a social networking site Ohanian also threatened to hurt one of the officers.
- Daytona Beach, Florida, February 2012: Self-declared sovereign citizen Laurine Sue Arnold was convicted of kidnapping her grandson in 2011 from the home of her sister, who was acting as a temporary guardian. The child was eventually found in a Hare Krishna temple in another town. Arnold, who was out on bail following her arrest, did not show up for the final days of her trial, and a warrant has been issued for her arrest.
- Denver, Colorado, February 2012: Sovereign citizen Matthew O’Neill, of Kremmling, Colorado, pleaded guilty to providing false information related to a terrorism offense after being arrested for sending a package with white powder to the Colorado Department of Revenue. The powder, which caused the evacuation of the building, turned out to be baking soda.
- Phoenix, Arizona, January 2012: Police arrested Michael Crane in connection with the murder/robbery of an elderly Paradise Valley couple in January; Crane is also the prime suspect in another robbery/murder that occurred soon after. In his initial court appearance, Crane attempted to use sovereign citizen arguments, including saying that he wanted to “reserve my right to Uniform Commercial Code 1-207 and Uniform Commercial Code 1-103.”
- Glengary, West Virginia, January 2012: Police investigating a mobile home fire in Glengary, West Virginia, discovered a gruesome scene: the burned bodies of David Hutzler and his 9-year-old son James. Even more disturbing was their discovery that both had been shot in the head, apparently as part of a murder-suicide. According to the Southern Poverty Law Center, Hutzler had been an active member in the prominent sovereign citizen group Republic for the united [sic] States of America and a later breakaway group called the Vandalia Solution.
- Sumter County, Florida, January 2012: Sovereign citizen Brody Whitaker, who once referred to himself as the “Grandson of God,” received a sentence of life in prison after being found guilty of two counts of attempted murder of a Florida state trooper.

Whitaker engaged state police in a high-speed chase and shootout in 2010 before escaping to Connecticut, where he was eventually caught. As is common for sovereign citizen defendants, Whitaker acted as his own attorney.

- Albuquerque, New Mexico, January 2012: Albuquerque police fatally shot sovereign citizen Mark Macoldowna of Ruidoso, New Mexico, during a close-range shootout that occurred when they responded to the robbery of a Catholic church. Two alleged accomplices, who do not appear to have been sovereign citizens, were arrested and charged with conspiracy to commit armed robbery and conspiracy to commit kidnapping.
- Seattle, Washington, December 2011: Redmond resident and sovereign citizen David Myrland, 53, was sentenced to three years in federal prison following his conviction on threat charges. Following a traffic stop in Kirkland, Washington, in which his car was impounded, Myrland issued a series of threatening “citizens’ arrest warrants” to the mayor of Kirkland and others. In a letter to the mayor, Myrland wrote that she should prepare for a visit from “50 armed men and women” would come to arrest her and that she should not resist. Charges were filed against him in September 2010. Other sovereign citizens from around the country also sent threatening letters related to Myrland’s case, including one from Texas that informed a King County prosecutor that it was “lawful for a private citizen to use deadly force in attempting to apprehend a fleeing felon.” Myrland is connected to several prominent sovereign citizen groups in the Pacific Northwest.
- Lakota, North Dakota, November 2011: Sovereign citizen Rodney Brossart and four of his adult children, Alex, Thomas, Jacob, and Abby, were arrested following the end of a months-long standoff near Lakota, North Dakota. The standoff began after local deputies arrived at the 3500-acre Brossart ranch to serve a search warrant regarding another rancher’s cattle allegedly on their property. Brossart allegedly refused to return the cattle and told deputies that if they came on his property they wouldn’t be coming back. He and his daughter were arrested for an alleged physical confrontation; later that evening, when officers returned to the property, the three sons allegedly confronted them with rifles and threatened the officers. They were arrested the next morning, but the family refused to show up for a hearing on August 26, holing up on their property instead. Rodney Brossart has been charged with one count of terrorizing, one count of theft of property, one count of criminal mischief, one count of failure to comply with estray order, and one count of preventing arrest. Months of negotiation followed their failure to appear, without success, but authorities eventually arrested them while avoiding further violence. The three brothers were charged with terrorizing and bail jumping; the sister with simple assault and bail-jumping charges, as well as a misdemeanor harassment charge. Susan Brossart was charged with lying to authorities who asked her about guns on the property.
- Oregon, October 2011: A so-called “de jure Grand Jury,” a self-proclaimed sovereign citizen pseudolegal entity, sent “indictments” to all district attorneys in Oregon. The alleged charges included treason, kidnapping, and slave trafficking. The documents moreover called on “provost marshals” to arrest the officials and suggested that in some cases the death penalty might be appropriate.

- Page, Arizona, June 2011: Sovereign citizen William Foust of Page, Arizona, was shot to death by a Page police officer after a physical confrontation. The officer was responding to a domestic violence call at a business owned by Foust. By the time the officer arrived at the business, Foust had left, but he returned as the officer was talking to the woman who had made the 911 call. According to police, Foust was confrontational. When the officer and Foust left the building, their encounter became physical and Foust allegedly attempted to grab the officer's Taser. The officer shot Foust, mortally wounding him. The officer had received minor injuries. Foust was an active sovereign citizen and "Chief Justice" for Arizona for the sovereign citizen group Republic for the United States of America. He had made many sovereign citizen filings in the past and had occasionally gotten in minor legal troubles related to his sovereign citizen actions.
- Ensley, Florida, June 2011: Sovereign citizen Larry Wayne Kelly was arrested in June 2011 for shooting at a seafood market with an AK-47 in Ensley, Florida. According to police, Kelly became angry with the seafood store after employees informed him that it had no crawfish for sale. Kelly called them 11 times then went to the store in his truck, where he allegedly opened fire at the front of the store with an AK-47. He then led police on a car chase before eventually crashing his car, following which he was taken into custody. Kelly's vehicle reportedly had a homemade license plate on it at the time and he told officers after being arrested that he was a sovereign citizen and did not have to obey them. In the past, he had filed a number of pseudo-legal sovereign citizen documents.
- Charlotte County, Florida, April 2011: Authorities arrested two sovereign citizens, Robert Chapman and John Ridge Emery III, for allegedly giving a judge an envelope marked "bio-hazard" containing a mysterious substance. The incident caused the entire building to have to be evacuated. According to police, Chapman drove Emery to the Charlotte County Justice Center and gave him an envelope containing a suspected chemical agent to give to the judge overseeing a hearing for Emery on traffic-related offenses. Both men were charged with the manufacture, possession, delivery, or attempted use or threatened use of a weapon of mass destruction. An analysis of the substance in the envelope marked "biohazard" revealed that it was not, in fact, hazardous. In December 2011, Chapman filed a pro se motion demanding that his case be dismissed and that the state pay him \$115 million in "restitution," claiming in the motion that "if you do not file this motion, you are a traitor to the basis this country was established on."



**ATTACHMENT G**  
**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

**YouTube pages of**  
**The GoldFish Report**  
**Nos. 263 and 273 (with Comments)**

10/15/2018

The GoldFish Report No. 263 Country Roads w/ Winston Shrout: POST-NESARA EGALITARIANISM - YouTube

the goldfish report



## The GoldFish Report No. 263 Country Roads w/ Winston Shrout: POST-NESARA EGALITARIANISM

The GoldFish Report

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Published on Aug 24, 2018

On The GoldFish Report No. 263, Winston discusses some of the provisions of NESARA and what we might expect after its full implementation. Louisa and Winston distinguishes between an egalitarian society based on equity compared to the present model. Winston outlines 17 points of NESARA and how the change would appear to us from zeroed out debt to abolishment of the IRS, flat rate tax, increased benefits to seniors, new elections, new U.S. Treasury Note, Eliminating the Federal Reserve, prosperity distribution in the form of refunds, establishing world peace and more. Thank you Winston for sharing your worldly wisdom with us! For more information about Winston's Solutions in Commerce visit [www.wssc.com](http://www.wssc.com). To receive our Reports you can subscribe to our BITCHUTE Channel at <https://www.bitchute.com/profile/grAL> and to become a Patron of The GoldFish Report you can go to our Patreon page at <https://www.patreon.com/user?u=10007100>. You can also subscribe to our "NEW" YouTube channel at, and <https://www.youtube.com/channel/UCO-A-> follow us on Twitter at @ReportGoldfish, [www.thegoldfishreport.wordpress.com](http://www.thegoldfishreport.wordpress.com) you can also follow us and like us on our 24/7 research news page at [www.facebook.com/thegoldfishreport](http://www.facebook.com/thegoldfishreport) and to help support these and other programs please visit [www.thegoldfishreport.com](http://www.thegoldfishreport.com) to make a donation. Thank you for your support and Thank you for viewing!

For viewers interested in purchasing any of Winston's DVD's you can use this discount code on his website on regularly priced items for \$25 off orders over \$35 by entering: GOLDFISH1 (does not apply to sale items)

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## Government's Sentencing Memorandum

Attachment G, Page 2 of 12










10/15/2018

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Top comments ▾

-  **marie-anne jurelius** 1 month ago  
Nesara as well as everything else must become transparant ☺❤ as the Golden Age proceeds ☺  
Reply · 7
-  **BajaG BajaGirl302** 1 month ago  
Money will be obsolete. Imagine how people will be then. I've always said that everyone does everything because of money. Basically every decision is made because of money. People will then have to really look within and figure out who they are.  
Reply · 6
-  **Slim Frank** 1 month ago  
Winston, my mothers side of the family were share croppers in South Carolina. Out Houses and hand pump water wells were the normal in mid 1960's. I was 3,4,5 yrs old and remember very well. The houses were covered in rolled roofing material. To me those were the good times...  
Reply · 5
-  **Ramón Cisneros** 1 month ago  
Here is an easy way to address it and to deal with it after. Give every person over 18 years a quantum account that can't be hacked. Make the announcement. Have the accounts ready to be accessed. Provide the mentioned 100k to every person, doled out in 12 monthly installments every first of the month. This supports peoples hope and provides  
[Read more](#)  
Reply · 4  
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-  **Sarah Doemland** 1 month ago  
This sounds like a great start...thank you  
Reply · 1
-  **Walter DePriest** 1 month ago  
Let's quit talking about NESARA and the RV and do it .....talk talk talk never resolved anything  
Reply · 4
-  **David North** 1 month ago  
NESARA will only work if we teach our children righteous behavior. If evil continues to prevail in our world, we will just end up in the same ugly boat again.  
Reply · 3
-  **Jim Watson** 1 month ago  
@ 49:50 Winston says: "For all intensive purposes the IRS has already been abolished". So does this mean if I owe income taxes for this year I don't need to file?  
Reply · 3  
[Hide replies](#)
-  **Dream weaver** 1 month ago  
Jim Watson yep tthats what i got  
Reply · 3
-  **Jim Watson** 1 month ago  
So who is handling all the paperwork from people/businesses sending in payroll/quarterly taxes all year long if the IRS is done?  
Reply ·
-  **Silver Dust** 1 month ago  
Skip navigation Who files or pays taxes anymore....??  
Reply ·
-  **Micro Aggressor** 1 month ago  
So you're telling me everyone in America that has a job is no longer having income taxes deducted from their paycheck? You don't think businesses pay quarterly

<https://www.youtube.com/watch?v=QXK1OenWgwE&t=617s>

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## Government's Sentencing Memorandum

Attachment G, Page 3 of 12

10/15/2018

The GoldFish Report No. 263 Country Roads w/ Winston Shrout: POST-NESARA EGALITARIANISM - YouTube


 **Jay Bean** 1 month ago  
I think he said "intents and" not "intensive".  
Reply •

 **Tim** 1 month ago  
it means Winston is a loon  
Reply •

**Slim Frank** 1 month ago  
Awesome people you two are, much love and prayers sent your way..  
Reply • 3

**BajaGrl302** 1 month ago  
I've heard that Trump is a walk in. He is Syrian, and they are really good at chess 😊  
Reply • 3


[Hide replies](#)

 **NanaR504** 1 month ago  
You did not mention 5D chess. He is well beyond ordinary chess.  
Reply •

 **davekieman1** 1 month ago  
Actually, all the bananas in Europe come from Iceland and are ripened and exported from Ireland. The biggest of bannanas in in Europe are Germans. We need to get Eskimos exporting fish to Brazil instead now.


Reply • 2


[Hide replies](#)


 **Delice Calcote** 1 month ago  
As an Alutiq grandmother... our fish is already being hijacked by China, Korea, Japan, Russia ... you want our fish to be exported to Brazil as well... quit dumping your plastic into the oceans ... that stuff is harming the ocean.. the fish, the wildlife need clean, healthy, plastic-garbage free-quit dumping your sewage that is full of  
[Read more](#)


Reply •

 **Jay B** 1 month ago  
Winston, you are one wonderful, inspirational, sum of which. Thank you.  
Reply • 1

 **Conscious Hearts Conscious Minds** 1 month ago  
My mother always used cast iron for cooking, I have been saying for a while I want to buy some, family still uses, there the best.....  
Reply • 1

 **Francois Belhumeur** 1 month ago  
Glad to hear from you  
Reply • 1

 **Chris Magda** 1 month ago  
What has been neglected in the conversation concerning in what manner are people going to act/behave after NESARA... well, what if the world population is fifth dimensional (unity condousness), it will be much more than what can be imagined on this side of that event.  
Reply • 1

[Skip navigation](#)  
 **Anna Matthews** 1 month ago  
How about in future when you buy a house you pay back the amount that the house cost plus a small flat fee as opposed to compound interest. I mean currently, if a house cost say \$100,000, and you pay compound interest over 30 years you end up paying the bank some insane amount like \$400,000. Plus the bank used someone else's money that they  
[Read more](#)

10/15/2018

The GoldFish Report No. 263 Country Roads w/ Winston Shrout: POST-NESARA EGALITARIANISM - YouTube

 **Anne Matthews** 1 month ago

What I am writing is not original, but in order for humanity to rise to a high frequency, suffering, poverty, starvation, lack, needs to be eliminated, and this can only be done by giving wealth to all of humanity to wipe out poverty. So that is the reason that we can look forward to GESARA being real.

Reply · 1

 **Slim Frank** 1 month ago

Winston, is the Interem gov. waiting on the "people" to form their own jural societies and fill vacated offices of the gov. of the people???

Reply · 1

[Hide replies](#) **Dream weaver** 1 month ago

Slim Frank probably

Reply ·

 **Dream weaver** 1 month ago

They took our homes after paying enough fake interest. Look up word mortgage.

Reply · 4

 **Dream weaver** 1 month ago

I guess if we keep sending our kids to those buildings, and all their brain washing, we get what we deserve?

Reply · 1

 **bydesign 727** 1 month ago (edited)

Much gratitude & Love, thank you Louisa & Winston for your faithfulness in service to us all. So Winston, as far as new systems, credit cards & such, we are creators, we are going to find amazing creative solutions to old systems. ❤️

Reply ·

 **Stanley Kelly** 1 month ago

love light peace in this moment. saturday morning early morning the were spraying dozens of kim trails, these have not stopped. yes I send love to these kim trails when they turn up in our skys. love louisa and winston and all watching. love from Ireland.

Reply ·

 **Druanna Walls** 1 month ago

Any of these corrupt terd hurt Winston he's also got psionic back up from us! I told him before Your not going to jail! Your too damn smart and dangerous to them! :)

Reply ·

 **Druanna Walls** 1 month ago

Love you guysssss!!!!!! <3

Reply ·

 **Benny Bodash** 1 month ago

How long will it take before NESARA is enacted after the beans are spilled is the million \$\$\$ question I think most would like to know?

Reply ·

 **Don Freas** 1 month ago

Where did everyone Go I know we have more than 2.5K on the GF Report.

Reply ·

[Skip navigation](#) **Yvonne Otten** 1 month ago

Hi Louisa, could you please upload the Goldfish report no. 260 on YT (with guest Scott Werner)?

Since a few weeks I can't view the video on Bitchute anymore (video just won't start,

<https://www.youtube.com/watch?v=QXK1OenWgwE&t=617s>

10/15/2018

The GoldFish Report No. 263 Country Roads w/ Winston Shrout: POST-NESARA EGALITARIANISM - YouTube

[Hide replies](#)**The GoldFish Report** 2 weeks agoHere is the same report on YouTube <https://youtu.be/ZPmlp6diT6A>.[Reply](#)**Shannon Sweeney** 1 month ago

Your humor, especially at the end is very much appreciated! So good to lighten up at the end of a serious discussion.

[Reply](#)**Shannon Sweeney** 1 month ago

What a wonderful show! Thank you Louisa and Winston. It certainly did get me thinking. Hopefully money will go away in the near future, not a long way off.

[Reply](#)**Deb Purcell** 1 month ago

I voted by mail already

[Reply](#)**Hali Nara** 1 month ago

Winston and Luisa, u guys are THE BEST!!! I've been listening to your videos for a while, so much i learned and so much i need to learn. I just want to say how much I appreciate your energy and time put into these lesson and information, i really do! I love u guys and pls keep continue the work. I definitely want to learn and UNDERSTAND the law and history

[Reply](#)**Delice Calcote** 1 month ago

this NESARA stuff going on since before 2000... in the meantime... how about putting LIENS on our accounts... whatever they are? all this wait till Monday... let that tune continue but stuff to get done... what about LIENS????

[Reply](#)**robert plumly** 1 month ago

The Quantum Financial System is up and humming designed by the benevolent galactic. Everything will come forward at the right time by Prime Creator!

[Reply](#)**Anne Matthews** 1 month ago

So much has happened since you made this broadcast a week ago. The game has changed.

[Reply](#)**Janet Lutz** 1 month ago

Canary Conicals uploaded your show just before you logo just a little different?

[Reply](#)**Janet Lutz** 1 month ago

Ok got it canary cronicals is ok

[Reply](#)**Edith Gibbs** 1 month ago

we warehouse our seniors. We are programmed to think not working at a slave job is not "productive". productive to put more money into elite coffers. The main goal of the warehouses is to make a profit. They take seniors money and reduce the staff etc to be profitable. This is worse than drug trafficking. It is stealing not just from poor, it is stealing

[Skip navigation](#)[Reply](#)**David North** 1 month ago

10/15/2018

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Reply •

**Tim** 1 month ago

When are the aliens going to take us to their leader ?

Reply •

**Victoria Greer** 1 month ago

You didn't violate any terms of service you are dealing with demons

Reply •

**Slim Frank** 1 month ago

Louisa , a product know as "TOTAL COMMANDER" is available to quickly locate files and folders . I have a friend ,Ted , whom would be happy to teach you and it is free. Let me know if interested by commenting

Reply •

**TheDixiechick12** 1 month ago

Great discussion.Thanks Louisa and Winston love you both

Reply •

**Sirius Blue Ray Contactee** 1 month ago

Going to use my skillet to block these attacks

Reply •

**Dream weaver** 1 month ago

♥ u guys

Reply •

**Dream weaver** 1 month ago (edited)

Smoke from fires is bad.

Reply •

**Dream weaver** 1 month ago

Yeah winston image that, people use to paying taxes, and using co. How did we all learn these things.

Reply •

**Dream weaver** 1 month ago

People Invest by taking care of home. Raising children in a loving home. We have worked for it our whole lives and so did our ansters.

Reply •

**Kimberly Hoppe-Walker** 1 month ago

I'd like to be educated on what happens if you rent a townhome?

Reply •

**Leanita Sowell-Nedostup** 1 month ago

who cares what keith's theory is? this is a waste of time and energy to listen to ...

Reply •

**Stephen Duncan** 1 month ago

Some interesting comments Winston.Change is coming and for the better Greed and corruption has been rampant for far to long.Wealth creation,not debt.

Reply •

**Janet Lutz** 1 month ago

263 country roads how can i listen as your site? The one on youtube has commercials

<https://www.youtube.com/watch?v=QXK1OenWgwE&t=617s>

10/15/2018

The GoldFish Report No. 263 Country Roads w/ Winston Shrout: POST-NESARA EGALITARIANISM - YouTube

 The GoldFish Report 2 weeks ago

You can access our POTUS reports on our website under POTUS Report links at [www.thegoldfishreport.com](http://www.thegoldfishreport.com)

Reply •

 Freedom 4 All 1 month ago

What about all these heinous stack and packs and agenda 21 . ??

Reply •

 J F 1 month ago (edited)

Tax fraud was used to take down some in organized crime.

Reply •

[Hide replies](#)

 Dream weaver 1 month ago

J F it didnt work, apparently

Reply •

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the goldfish report



## The GoldFish Report No. 273 Country Roads: DEN OF THIEVES: Third Party Debt Collectors

The GoldFish Report

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Start at: 10:27

### Published on Sep 22, 2018

On The GoldFish Report No. 273 After a short visit from our Co-Host Steve in Tokyo and some brief humor Winston discusses the topic of Third Party Debt Collectors. Starting with The Debt Collector's Disclosure Statement, Winston describes the kind of pleadings involved in this issue. He explains once you understand the pre-pay everything is a third party. Winston also discusses the use third party probate claims, contracting with creditors and debt collectors, Holder In Due Course, Acceptance for Value, Subpoena Duces Tecum, Affidavit filings, re-contracting, appointment of Fiduciary, Order to Dismiss, and much more. There is much more than that in this information packed program and we thank Winston for sharing his wisdom with us! For more information about Winston's Solutions In Commerce visit [www.wssc.com](http://www.wssc.com). To receive our Reports you can subscribe to our BITCHUTE Channel at <https://www.bitchute.com/profile/grAL...> and to become a Patron of The GoldFish Report you can go to our Patreon page at <https://www.patreon.com/user?u=10007100>. You can also subscribe to our "NEW" YouTube channel at, and <https://www.youtube.com/channel/UCO-A...>, follow us on Twitter at @ReportGoldfish, [www.thegoldfishreport.wordpress.com](http://www.thegoldfishreport.wordpress.com) you can also follow us and like us on our 24/7 research news page at [www.facebook.com/thegoldfishreport](http://www.facebook.com/thegoldfishreport) and to help support these and other programs please visit [www.thegoldfishreport.com](http://www.thegoldfishreport.com) to make a donation. Thank you for your support and Thank you for viewing!

Article on Debt Validation and Sample filing  
<http://www.thegoldfishreport.com/vip-...>

Our new Blog Address is here:  
<https://thecanarychroniclesblog.blogspot...>

For viewers interested in purchasing any of Winston's DVD's you can use this discount code on his website on regularly priced items for \$25 off orders over \$35 by entering: GOLDFISH1 (does not apply to sale items)

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BEST TO PRESENT FACTS, OUR GOAL IS TO HAVE THE CONVERSATION ABOUT DIFFERENT PERSPECTIVES OF WORLD EVENTS AND HOW THOSE MAKING THE DECISIONS MAY IMPACT OUR LIVES. VIEWER DISCRETION IS ADVISED.

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**Silver Dust** 3 weeks ago (edited)

Does anyone know the status of Winston's court case? Did they drop charges?..... I was kinda hoping that he was going to explain what to do with a bill in the mail from a debt collector, in easy to understand terms. I haven't studied UCC or this kind of subject at all. I don't understand much of what he is saying. I need to know what to do with a bill from a

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**BoldVASD** 3 weeks ago

Yeah I think that was all dropped because it was Winston that arranged that all in the first place to trigger something HE wanted to do legally achieve. I wouldn't know what the heck to call Winston's chess game though. Who knows about what to do with a debt collector unless your ready to put ALL your effort into figuring it out.

Reply • 1

**Dream weaver** 2 weeks ago (edited)

You make it a money order. Im still learning. But you dont put money amount in any box sign at angle accepted for value with your ein number and autograph. But u should google. Check ann von retiz if you dont find it here with winston. I havent heard him talk about it yet. Im sure he has it in a book or cd. Too much paperwork.

Reply •



**helen daly** 3 weeks ago

What a laugh, I am tearing up! Great Fun, Love to you both

Reply • 1



**Jasper Wiley** 3 weeks ago

My question would be if you corrected your status get rid of your social security # and so forth, how do you make a living, you still have to have money to survive.

Reply • 1

Hide replies



**Kir King Graver** 3 weeks ago

Jasper - when you change your status, that does not remove you from SS or eliminate your SS#. That's a whole nother thing which he does not necessarily recommend doing. Changing your status simply refers to your citizenship status. Nothing else changes. Don't quit your day job!

Reply •



**Jasper Wiley** 3 weeks ago

Ok thanks

Reply •



**Helen N** 3 weeks ago

Purchase or "transfer" of a security requires good faith that no other claims against the instrument exists. However, when a "trust" collapses, there is no good faith argument in fact that can be made by a third party debt collector.

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truth. Me too is a direct referendum on the "me-ism..." I can do what I want, when I want... just like the Republicans who stole the last SCOTUS seat by not allowing a sitting president to nominate Scalia's replacement.

Reply •

 **Paulir** **Pauline Bechtel-Clobota** 2 weeks ago (edited)

Thank you so much Louisa for voicing those questions for the General public, it is very appreciated and Winston, Thank you for your vast knowledge it is very much appreciated as well. Where exactly do we get the "CIVIL COURT" DVD? What is Winston's email so I can speak with him directly?

I was not taught this in school and I truly appreciate the info. This is All so very confusing. I have to say for the general public that does not deal with legal matters on a daily basis, so all the questions you ask are of great importance and very helpful. I have a situation, that I desperately could use some help with concerning my home that I and my senior Mom live in. My remaining mortgage was sold to a Third party Debt Collector, for the small amount that I owe. I could really use some help with this or I could lose my home which I have been in for 24yrs. Not for my lack of trying, this is mostly due to medical issues and waiting for Disability, for a very long time I might add. Does Winston help individuals?

[Show less](#)

Reply •

 **davekiernan1** 3 weeks ago

Thank you Winston and Louisa again. Really great show. 3rd party debt collectors and that story. I think I always knew that kinda thing.

There was an old joke about Southerners and how they couldn't get things figured fly. It was.

Jonny, what did you have for breakfast?

Jonny said.

I ate 6 biscuits.

The teacher said, No Jonny.

It's I have eaten six biscuits.

Then Jonny said.

It may have been six or maybe four...

I think it was senator claghorn leghorn I met in Washington DC in 2011. He was right and would never accept none other than Confederacy bills. Hooray for Dixie! They got gold backed currency's Hooray for Dixie. Until the Calvary brushed off the dust on their uniforms. The grey went to blue.

When Woodrow Wilson signed into act the federal reserve act. He did so and understood. A victory without conquest is a victory would only put conditions as Victor's upon the vanquished.

I just wonder who and what, why our history ought to be changed.

We all know we are been screwed and ripped off by bankers and politicians.

That's it from Norway.

Dave.

[Show less](#)

Reply •

 **Cliff F** **Cliff Rockafella** 2 weeks ago

We do Role plays or court etc. On Skype Louisa.

Reply •

 **puremad1** 3 weeks ago

My Question to Winston IS: What are the equivalent Documents to the UCC in the UK and where do you go to get them please!?

Reply •

 **puremad1** 3 weeks ago

Great show, I'm not finished yet but Winston just said @1:16 he will give you this document to put up here... Can you give this document please as you've Not put it here to Download... Thanks

Reply •

Skip navigation  **Winston** 3 weeks ago

+++++. Stay on him Louisa!! FINALLY - he got down to the nitty gritty. Thank You So Much!!!

Reply •

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Reply •

 **Rhonda Lambery** 3 weeks ago

Hey, don't piss off the cook! Fools rush in where angels fear to tread. LOL! Thanks for the laughs I love Winston's Hummer.

Reply •

 **Dream weaver** 2 weeks ago

Winston your a good one. Thanks for those jokes. We need a laugh with all this serious stuff goin on.  
Thanks for another great show

Reply •

 **Dream weaver** 2 weeks ago

Yeah, ITS AN ALL CAPS COURT ROOM. LOL

Reply •

 **Dream weaver** 2 weeks ago

So when a debt collector calls, we should tell them thank you for buying the debt. :)

Reply •

 **Dream weaver** 2 weeks ago

Seems to me this could be more simple.

Reply •

 **Dream weaver** 2 weeks ago

Fiction IS ALL CAPS. Birth certificate.

Reply •

 **JT** 3 weeks ago

About the so called 'jokes', I think some of the are very disrespectful! My father used to 'joke' with my mother and I would get so upset. Putting people down, laughing about them, doesn't come from a good place. It was very disappointing to listen ...

Reply •

**John Pickering** 3 weeks ago

Thanks again to you both- great stuff- liked and shared

Reply •

 **useless thinker** 1 week ago (edited)

major cringe ! listening to a retired judge laugh about the 'games' they play ... it's really not funny. (ok, the first part is funny ... but not the middle part where he laughs at our ignorance of the law ... [#cringe](#)

Reply •

 **Slim Frank** 3 weeks ago

For a pot of Cajun Gumbo today, I will gladly charge you on Tuesday... The friend of the all mighty spinach eater ....LOL

Reply •

 **Slim Frank** 3 weeks ago

I would gladly kiss a mules a\$\$ before I would tell my Mother -in - Law that

Reply •

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 **Slim Frank** 3 weeks ago

Sui juris= IN ONES OWN RIGHT = REAL PARTY IN INTEREST ???

Reply •

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**ATTACHMENT H**  
**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

**Tad's Talkshoe – Youhavetheright.com**  
**Audio Podcast Transcript**  
**Recorded March 29, 2016**

DATE: March 29, 2016

SUBJECT: This is a podcast from March 29, 2016 with a conversation between Tad (podcast moderator) and a guest, Winston Shrout, with caller Q&A.

Podcast (Tad): Good evening everybody. It's Tuesday, March 29, 2016 and we have a very special call tonight with a very special guest; but before we get to that, I want you guys, when our guest, Winston Shrout, has finished speaking tonight, we are about to wrap up the call, stick around for a little bit. I got a brief little announcement for ya. So, if you'd do that, we would appreciate it. So Winston, hey, welcome to the call. How ya doin'.

Winston Shrout: Good, just like usual.

Podcast (Tad): (laughter) Well, we're glad to hear your voice. Apparently, you've made the news recently. Apparently, there are stories about some indictments and things going around saying that you were arrested and everything, so maybe we start off with that and you tell us a little bit about, maybe clearing up the facts and telling us what's going on and how you plan to come out of this shining.

Winston Shrout: Well, I don't think I wanna tell the full story yet.

Podcast (Tad): Okay.

Winston Shrout: There are some things in the background that I've been working on and I had to basically encourage and attack - a lot of your listeners don't know my history, but I have worked in the international, with the office of international treasury control, so uh, based on that, I have international immunity under treaty with the United Nations. It was the key thing to, uh, somewhat instigate or whatever, I practically had to beg for it; but in any

event, there were certain background things that I needed to accomplish and I needed to get it done in a big hurry. One of um that probably some of your listeners might know, others might not know, but the IRS itself came out [unintelligible] at the Delaware Corporation back in 1934-35 and they were immediately purchased by an attorney firm, and then they disincorporated the Delaware Corporation. Eventually what happened, the IRS ended up in a holding company known as Northern Trust Company...

Podcast (Tad): Yeah?

Winston Shrout: ...uh, Northern Trust Company also owns the Bar Association. A lot of times you hear people say that the IRS and the Bar is the same entity and basically, for all intents and purposes, it is; so in any event, what I needed to do was deal with Northern Trust. I had to have some reason to go after them, and so the DOJ provided me that opportunity.

Podcast (Tad): Okay.

Winston Shrout: There are certain - hopefully your audience understands that we are in for major change in government here, actually, the government has already changed, they just haven't announced it. But anyway, I was kinda the gun to get all that accomplished before the end of the fiscal year, so there were certain administrative processes that I did which would include the commercial lean, and it had to be turned over to certain parties. I accomplished that as of December 28, prior to the actual, I'll say, takeover by this new interim government. The indictments themselves - first off, you can bring all the indictments you want, but you'll have to

make good on them and they can't make good on them. The most recent thing I've done or I had done is I've gotten them into a contract using what's known as *plea in bar*. Some of your listeners might understand plea in bar. Anyway, so last Friday, I put in the plea in bar which included a written bill of particulars, which if they default on, and they will, would put them into a no-win situation; and so, I have a hearing on - have an arraignment on the superseding indictment coming up on Thursday, so I put the plea in bar - I went and filed the plea in bar on Friday, along with the demand for a written bill of particulars. I then go in with regulation Z, three days, truth in lending, blah, blah, blah, T plus 72 hours. Come Thursday mornin, I will have locked them into a contract. So, [unintelligible] first off, the way things are moving on the planet with the changes and so forth, I think this whole thing, the information I'm getting from, how shall I say, the star people or the people on the other side, is that this whole thing would be wrapped up very close to May the first anyway and so it's - things are good, put it that way.

Podcast (Tad): So are you saying that this whole thing was really just a setup?

Winston Shrout: (laughter) That's exactly what I'm saying.

Podcast (Tad): (laughter) So we don't have to be worried about you then?

Winston Shrout: People should worry about themselves.

Podcast (Tad): (laughter) Okay.

Winston Shrout: All this - certainly people that know my history know that I've worked in the international because of certain abilities, capacities, you know, and things that I have demonstrated. That's why I was given this assignment



out of the international, to accomplish these things, and a lot of people don't know, well certainly your listeners should know, that Keith Scott and I, Keith being another official; he's actually the chief of the cabinet in the OITC, the Office of International Treasury Control, and also as the settler on the Soekarno Trust. We got together back in 2012 and put that huge commercial lean in against the Federal Reserve Banks...

Podcast (Tad): A huh.

Winston Shrout: Which prevents, prevented them from rechartering, so they had to be melded into the US treasury; cause you know that the Federal Reserve Bank is a simply private central bank which has caused havoc all over the planet...

Podcast (Tad): Oh yeah.

Winston Shrout: ...and a lot of people know that, I mean for instance, way back in the days of Goldwater and certainly of Ron Paul and several others have been, ya know, trying to push for an audit and of course you can't audit them and so, what they wanted to do, in essence, Keith and I accomplished that. So we have a lot of interesting things going on. This is a continuation of some of that. Uh, the changes in government certain, uh you know, prec - uh I always work from the back - that wasn't called a background. Keith and I always do that.

Podcast (Tad): Okay.

Winston Shrout: And that is, we simply don't step to the front and [unintelligible] work on things; but in any event, what has been done rectifies some of the problems with the financial on the planet. For instance, I don't know, it

seemed like it was about 2011 or something like that, Keith and I had worked on a treatise, or what you would call a white paper, the purpose of which was to inform the financial ministers of the problems with the central banks and so we created that treatise and we sent it around to the various financial ministers in Europe. Michael Noonan, the financial minister in Ireland, took it to heart, so he challenged the banks on this basis, which was simply, if you can prove you loaned us any money, we will gladly repay you. If you can't prove that you loaned us any money, basically, go pound sand.

Podcast (Tad): Right (laughter)

Winston Shrout: [unintelligible] We had that same thing going on with Greece and they handed it up, but making sure the guy who would do that was not elected. I forgot his name now, I can't even pronounce those Greek names anyway. But in any event, if the right guy had got elected in Greece, they would have done the same thing. So, you know, in the background, we try to, how shall I say, inform the international community of some of the problems, you know, that they run into and uh, in some respects, we've had a good affect; in other, you know, other respects, you know, we haven't done so well, but in any event, as we move forward in this new paradigm, this new government and so forth, then there were certain things that I felt like that needed to be accomplished, and so that's what I did.

Podcast (Tad): Wow. So we don't have to be too worried about ya. You've got everything under control then?

Winston Shrout: No, people should worry about themselves.

Podcast (Tad): Now what do you mean by that?

Winston Shrout: Well, an informed public is the best defense, if I can use that word, against tyranny. You know that?

Podcast (Tad): Well, yeah.

Winston Shrout: But we've known that for a long time certainly.

Podcast (Tad): Unfortunately.

Winston Shrout: Now these events, well...

Podcast (Tad): Unfortunately, we don't have an informed populus. We have a dumbed down, distracted, watch-my-football populus.

Winston Shrout: In some respects that's the case, but not in every respect. We have a lot of informed people. Certainly, I would hope the people on this call would be well-informed.

Podcast (Tad): Well, yeah on this call they are.

Winston Shrout: So uh, again, we just tried to get everybody up to speed as far as possible to help them in their effort, and so forth, and so uh, I don't think we've had a good impact on that, uh you know, I'm not the judge of people and what their intentions and so forth are, but all indications to me indicate that people are becoming more aware and waking up. So that's a good thing.

Podcast (Tad): Yeah it is. It's just for me, it's so frustrating to hear those dummies that think they are so smart because they don't believe in conspiracy theories. They're just too smart, not knowing that they have been programmed to say that.

Winston Shrout: Well, let's not be too critical. From the time that people entered the public education system, they're highly controlled and it's very hard to break through that, you know, certainly as anybody that's been through that system knows. I mean, I went through 16 years of formal education, came out of college and said what was that all about? (laughter)...

Podcast (laughter)

Winston Shrout: ...and went my way. But in any event, I would think that we ought not be super critical, certainly, of people because of the circumstance that they found themselves in.

Podcast (Tad): Well, you know, it's like the people on this call, that's one thing, but when I go out into the world with average people out there who don't know, it's - and for me, it's just second nature, all of this stuff - it's just part of who I am now and then when I, you know, let it slip and you know, I just get a bunch of garbage from people you haven't really, you know, had an original thought in their life.

Winston Shrout: Well, okay, but again, you don't know what precipitated that situation in their lives.

Podcast (Tad): Sure. Sure.

Winston Shrout: You have to be careful not to castigate people for what they don't have and so certainly for those of us who are enlightened, we should bring those things to their attention and we have. Like I say, I've been working as a solutions in commerce now for over 11 years...

Podcast (Tad): Wow.

Winston Shrout: I've seen a remarkable upturn, uh, in the consciousness of the people, so again, we have to be real careful...

Podcast (Tad): Okay.

Winston Shrout: ...about how we address some of the situations the people have to deal with, you know, you know, the only thing is, you know, but for the grace of God go I. But we have to be very careful that we don't, you know...

Podcast (Tad): Okay. Well...

Winston Shrout: ...point too many fingers.

Podcast (Tad): I understand. I understand. It's just that, you know, I bump into people sometimes and it gets unpleasant and it's frustrating, that's all.

Winston Shrout: Then just walk away and go do something else.

Podcast (Tad): (laughter) I don't - alright, well that's great to hear, that you're really not in as bad a trouble as the papers make it sound.

Winston Shrout: Do you believe what you read in the papers?

Podcast (Tad): No, but a lot of people do...

Winston Shrout: [unintelligible]

Podcast (Tad): ...and if I, if I were to believe what the papers say, you are the 100 trillion dollar man.

Winston Shrout: Oh, that's nowhere close to it.

Podcast (Tad): (laughter)

Winston Shrout: Alright, lemme, lemme back up and tell you some of the things that we did back in 2010, while I got that appointment...

Podcast (Tad): Okay.



Winston Shrout: ...from Dr. Ray C. Dam. He said, I want you to be OITC in the United States because I'll notify all of the parties of that appointment, which was probably a bad thing to do on the basis as just as soon as he made a report, then the first thing you know, they're trying to kill him.

Podcast (Tad): Oooo...

Winston Shrout: And they almost did. They tried to poison him to death. He recovered. Eventually, he was taken in by the king of Thailand under his complete protection so nobody can touch him at this point. But in any event, he sent me on that mission and so the first thing I did when I got back is I contacted some of the people that I had been working with, and uh, what was anticipated was that we would get into a bank trading program, which we did. I wrote the instrument, some of these instruments these guys are squawking about now. Anyway, I wrote the instrument. There was a gentleman that was able to get those things into a trade program in HSBC Hong Kong and one of the others of our group, he had good contacts and so he went around and contacted all of the secondary mortgage paper holders.

Podcast (Tad): Okay?

Winston Shrout: On this basis that uh, uh, well he made an arrangement with them, that they would sell their paper to us, uh and most of them were willing to sell it for something like (laughter), like 25 or 30 cents on the dollar, and so we went ahead and did this trade to obtain the funds to buy all that secondary mortgage paper and had we been able to do that, we could've shut down all the foreclosures. Now, uh, the problem was with the HSBC

Hong Kong, in as much as they decided they simply would not pay us on the trade, because, after the [unintelligible] our program right up front, and then we got with another organization who said they could, but they lied too. I mean, when you get involved with international, some of these people, first off, the order of the day is "let's go tell a lie to whoever will believe it." So, we had that problem, you know, right from the git-go and had we been able to accomplish, you know, what we had intended to, then we could have, in fact, put an end to the mortgage problem; because that's what Dr. Dam had sent me to do. He said "get over there", he said, "and fix that mortgage problem." He said "we're embarrassed". He said "OITC is embarrassed" on the basis that we underwrite all of those mortgages, and he was highly inflamed about it was being handled. He said "get over there and see if you can't get that problem fixed" and so that's why I had originally actually got involved in the trade, was to create the funds necessary to solve that problem. So, there's a reason why I do things, uh, I don't do things for fun (laughter)...

Podcast (Tad): [unintelligible]

Winston Shrout: ...believe me, I've got better things to do than screw around with all of this stuff. But in any event, uh you know, on that basis then we had attempted to get those trades operating again, not because of something that we wanted, but it was on the purpose to resolve some of these problems that had been created by these predatory lending banks.

Podcast (Tad): [unintelligible]

Winston Shrout: You know, as you know, it's not an easy, not an easy row to hoe sometimes and so, like I say, if HSBC had been paid off properly, we know the trade went through because, the uh, the UN got 76 trillion out of that trade, and so we know it went through, and uh, we should've gotten out of that trade. We should've gotten certainly sufficient that we could have retired all of that mortgage debacle. You know, those are the kind of things that I work at and of course it infuriates the powers that be when somebody steps forward, so they've got to correct this problem. So, but in any event, uh, this is probably something that your average guy wouldn't want to attempt, for obvious reasons.

Podcast (Tad): Right.

Winston Shrout: And so uh, which is not a criticism of anybody, I'm just saying that, you know, some of these things are very difficult and should not be attempted by amateurs. The truth be known, I'm the only, I'm certainly authorized to, uh, to issue a bill of exchange (laughter), probably the only guy on the planet that is. But in any event, so the treasury, the DOJ, they take exception to that and say, "Let's go get Winston" and I say "okay, come on."

Podcast (Tad): (laughter)

Winston Shrout: So this is part of the takedown of the corporate government as you know, the United States has been run like the United States Incorporated, which is simply a maritime corporation out of Puerto Rico and Bill Clinton said "I'm the last United States president", and that's the only time that boy ever told the truth that I know of.

Podcast (Tad): (laughter)

Winston Shrout: Because it was...the bankruptcy of the United States of America was overweight in 1999, so Bill was telling the truth about that and, you know, whether he knew it or not, what the reason for it was or not, he did tell the truth on that occasion, so we'll take him...we'll...

Podcast (Tad): [unintelligible]

Winston Shrout: ...give him credit for that.

Podcast (Tad): "I'm the last president of the United States...hey sweetheart, what's your name?" (imitating Bill Clinton).

Winston Shrout: (laughter)

Podcast (Tad): (laughter)

Winston Shrout: Yeah, that's kinda pretty much how he operates.

Podcast (Tad): (laughter)

Winston Shrout: But in any event, maybe we can go on and talk about some other things that might be of interest...

Podcast (Tad): Okay.

Winston Shrout: ...to your listeners.

Podcast (Tad): Okay. Well, originally, I saw a video that you did, I forget who it was that put it on, but you talked a little bit about common law and commercial law and your take on it was that, you know, people are saying they always want common law, but they never..wait, wait, wait. You said that common law deals with the past, commercial law deals with the future, and a lot of us have been saying, well, we want common law, but then you brought up

this point of, well, how do you deal with dangerous situations, such as a guy stockpiling explosives in his garage right next door to your house?

Winston Shrout: Yeah, yeah, that's a bad deal all right.

Podcast (Tad): So, maybe you could go over more on that subject, about the difference between commercial law and common law, and maybe an ideal, the ideal way that we can operate so that we can...

Winston Shrout: All right. Yeah, lemme...[unintelligible]

Podcast (Tad): ...have our freedoms, but address issues.

Winston Shrout: Yeah, lemme run that down for you.

Podcast (Tad): Okay.

Winston Shrout: There's what is known as universal law, and that's God's law, and it's best exemplified certainly in natural law, mother nature, and uh, you know, how things actually run, the consequences of violating natural law. So, my comment was directed at the problems that are created when we go into common law. Now people don't know what common law is, perhaps, but every country, every people, has their own common law based on history, precedents and usage. All right? So, uh, for instance, when the United States was contemplating which common law they would adopt, most of the founding fathers being Englishmen, decided that they would use English common law. However, we had a huge German population living on the continent at that time, so they could've just as well use Anglo-Saxon common law rather than English common law. Okay, but they settled on English common law, and, which is (laughter) which is kind of, in my estimation, the wrong choice. We should've developed our



own common law based, because again, we were starting a new nation, we had the Declaration of Independence; we had the constitution and so forth.

Podcast (Tad): A huh.

Winston Shrout: Why should we go to the English common law? If you look at the history of England, it's nothing but a complete screw up.

Podcast (Tad): (laughter)

Winston Shrout: Why would we want to repeat that mess? But, in any event, they decided on English common law and the consequence of it, what we had, or what we have, and, but let me observe this one that; that is, that because you use the words common law, it does not indicate, by any stretch of the imagination, that you are actually operating with natural or universal law and so, if, you know for instance, if you go back to the original use of common law and the way it was perceived of in the constitution and so forth, only white landowners could vote. Right? No women. No Africans and no Indians could participate in the election process. Now that's very, very one-sided, of course.

Podcast (Tad): Right.

Winston Shrout: Now we think we've gotten past that, uh (laughter)...

Podcast (Tad): (laughter)

Winston Shrout: I kinda have to scratch my head a little bit before I'd agree to that.

Podcast (Tad): Yeah, and now everybody in the world can vote in our elections.

Winston Shrout: What can I tell you?

Podcast (Tad): (laughter)

Winston Shrout: So we have some of these difficulties, you know, associated, uh, with what we call the common law, and I, I keep hearing people, you know, touting that we need to return to common law and so my question is "which common law do you want to return to?" See? Because you might find that your version of common law might, in fact, but a direct affront to natural law. So anyway, people need to study that thought process out and do it. Now, the question is, and a good comparison would be to see whether or not our version of the common law conforms to the King James version of the bible; and you'd probably find out that in many instances, it does not. However, if you would go and investigate the commercial maxims, or the maxims of commercial law, you will find that the commercial maxims comply exactly with the concepts, principles and so forth that are contained in King James. So, my preference, uh, you know, call me greedy or whatever, anyway, my preference for law, for a law system, is in fact commercial law. That kinda makes sense.

Podcast (Tad): Hmmm, okay. Um, would that include traffic tickets?

Winston Shrout: Oh, traffic tickets ain't got anything to do with law. That's all just code stuff.

Podcast (Tad): Okay. Would that have to do with prosecutors, prosecuting innocent people over code violations?

Winston Shrout: Well certainly it does, but we don't need to get into the particulars of all that.

Podcast (Tad): Okay.

Winston Shrout: Enough said, it's sufficient to say that the codes and statutes and so forth are illegal. Now, the [unintelligible] studied, uh, you certainly should be aware that the only thing that obligates people are the statutes at large, which are published, which are properly enacted and published so that everybody can see them.

Podcast (Tad): Okay.

Winston Shrout: But when you get into all of these statutes and codes and so forth, you're talking about, in essence, a whole potpourri of illegal action, because there's nothing within the statutes and codes that obligate anyone. So, in, in your conversation there about traffic tickets and all that kinda stuff, that's all just all foolishness, and not even worth talking about.

Podcast (Tad): (laughter) Well, I know what you do when you get traffic tickets. It's funny. (laughter)

Winston Shrout: I, I don't recommend people do what I do.

Podcast (Tad): (laughter)

Winston Shrout: Everybody, everybody needs to stand on their own. Every cup's gotta stand on it's own bottom and so, uh, you know people have to, you know, get in sync with what, with what they feel like, so...

Podcast (Tad): All right.

Winston Shrout: So people have asked me about, you know, about this or that, I'll say, whoa, you know? What do you understand, you know, what's your understanding of these things and what are you going to do about it? Certainly, I can provide information that might be useful, but I'm not going to dictate to anybody what they ought to do, so, so, that's why...

Podcast (Tad): Sure.

Winston Shrout: ...that's why I put together education, so that people could have an idea, you know, of how to conduct their lives and so forth, and then move forward on their own. Uh, you know, people do not need to rely upon Winston or upon Tad, or upon anybody. You need to stand on your own because you're convinced that the course you're taking in regard to a certain matter is the correct course to take. And so that's why we do education, is so that people can stand on their own. We're, we're involving in empowering people, you know, people all, and you know a lot of people say we want to be free. Okay, but there's a cost. I mean there is a certain amount of responsibility that comes with being, what we would basically call free people. And so, you know, I hear people running around yelling out "I'm free, I'm sovereign" and all these kind of things and I keep saying really? (laughter) You are huh? Reach in your pocket there and see if you have any Federal Reserve notes?

Podcast (Tad): Right. So Winston...

Winston Shrout: [unintelligible]

Podcast (Tad): Are you, are you available now to take questions?

Winston Shrout: Well if that's what people want. Like I say, it's your call. You tell me what you want.

Podcast (Tad): Sure. All right. Well, if anybody has questions for Winston, it's \*8 on your phone. Uh, somebody...oh my gosh. Somebody says, "What was the real agenda of the Pope's tour to America last fall? I heard he transferred trusteeship to the UN?"

Winston Shrout: Uh, I wasn't privy to all the meetings, but there are certain things that came from it that are obvious. Number one, prior to his coming, you'll notice that the disincorporated Washington D.C.

Podcast (Tad): I didn't know that.

Winston Shrout: Oh yeah. Well, it was in the newspaper (laughter)

Podcast (Tad): (laughter) Okay.

Winston Shrout: Uh, the only reason it actually got in the newspaper was because a portion of that ten square miles actually was a part of Maryland, so Virginia was trying to claim all of it and the people there in, uh, Maryland said, "the heck you are", I mean, "we're the ones that gave that portion over there and we're keeping it", you know, so it got into a land squabble, and so forth...

Podcast (Tad): Okay.

Winston Shrout: ...And once it got into that squabble, then pretty soon it hit the newspapers. If it hadn't been for that squabble, it probably never would've come up.

Podcast (Tad): Wow.

Winston Shrout: And an....and another thing that was a result, like I say, I wasn't privy to the meetings, I don't know what was said behind closed doors, all the purposes and so forth, that were being addressed in that situation; but you will notice that just as soon as Francis got back to the Vatican, he fired the, I think, five or six, I think it was five, he fi....he fired five of the cardinals out of the Vatican Bank, because they'd been involved in laundering drug money. You know, I don't think Francis thought that was



such a cool idea. So, so we do see some results of it. Like I say, I can't really address all of the things that may have come from that because I simply don't know, but it's pretty obvious...

Podcast (Tad): Okay.

Winston Shrout: ...that there were results that came from that. Certainly, you, you know, this concept of universal jubilee, and some of those things were addressed at that time. It's [unintelligible] hopefully they'll carry through with it, but that's yet to be seen. We will see what comes of it, and uh...

Podcast (Tad): All right. Well hey listen, we've got a bunch of people that have raised their hand that wanna talk to you.

Winston Shrout: All right. Well, you're the moderator and you can get to see what you need.

Podcast (Tad): (laughter) All right, we're going to go to central California with your phone unmuted, it's your turn.

Caller #1: Uh, hello, I think that's me.

Podcast (Tad): Yes.

Caller #1: I just wonder how the not guilty plea got entered on Winston's behalf, and how did you allow that and is that part of your game plan?

Winston Shrout: No, when I first went in, I tried to plead guilty in magistrate court, then they threw a fit.

Podcast (Tad): (laughter)

Winston Shrout: I said, "Okay, just go ahead and do whatever you want to", because by that time, by that time, I had already filed papers into that case appointing the judge as the fiduciary trustee for the defendant...

Caller #1: Mhmm.

Winston Shrout: So, so at that point, the judge was entering the plea for the defendant. I had nothing to do with it.

Caller #1: Okay. Mhmm.

Podcast (Tad): All right.

Caller #1: Okay, thank you.

Winston Shrout: [unintelligible] understand that [unintelligible]

Podcast (Tad): All right. Thank you.

Winston Shrout: Technology. Yeah.

Podcast (Tad): All right, so now we go to Oregon. You're next. Hopefully.

Caller #2: Oh, you, you got me?

Podcast (Tad): Uh, you're talking so go ahead.

Caller #2: Oh, okay. Well, I wanna congratulate Winston on his work. Um, I'm following this stuff now and it seems to be working well. I was just curious, are you actually gonna go through with this court case on the 31st, or is this all over with? I got in late...

Winston Shrout: No, no, no, I, no, what I did, as I mentioned earlier on that first go-round, like I said, I was trying to plead guilty and what I said was, told the court, on the first arraignment, which was all silly little IRS misdemeanors, I told the judge that I intended to plead guilty just as soon as the prosecutor would read and certify the charges for the record. Which he said he couldn't do. But in any event, that went back and forth. He refused to do it. So we got into another hearing and again I told him, my intention is to plead guilty, and then they all got in a big uproar about it and this, and

that and the other and so finally, like I said, you know, I did not put in a plea. It was, in fact, the judge who was, even though he had not even read the file, if he had read the file, he might not have done that, but in any event, he's the one that put in the plea, not me.

Caller #2: Well, it kinda sounds to me like uh it was the same thing with the police officer that signed the tickets for ya. Social contract.

Winston Shrout: Uh, yeah, yeah, a huh, along that same thought process, yeah.

Caller #2: One other thing, uh, you said, you stated that you were a welder at one time?

Winston Shrout: Oh yeah.

Caller #2: Okay, I spent about 30 years as a welder, so I'm kinda looking at you as a real guy.

Winston Shrout: Well yeah, that's uh, you know, I have found that people that work, uh, in the, uh you know, electricians, carpenters, plumbers, all those kinda things, especially the farmers, oh God when the farmers come around, you have to watch out - but those who have worked in the trades and worked in the real world, if I can use that word, they seem to comprehend this information a whole lot quicker than others do; which is not to say, you know, that there's anything wrong with those people. I'm just saying they seem to pick it up much faster.

Podcast (Tad): Hmmm.

Caller #2: It has been my pleasure to be able to talk to you and I wish you the best, and I think that you're on the right track to help a lot of individuals. One time...

Winston Shrout: Yeah [unintelligible]

Caller #2 ...probably sooner than later, we're all going to change the frequency on this thing and get away from all of it.

Winston Shrout: Exactly. Yeah, that's coming very quickly. I, I mean, aside from all of this third dimensional stuff that I involve myself in, I also work in the higher dimensions, uh you know, I came onto this planet under contract. I'm one of the contractees. I came in in 1948, and I have worked in other circumstances and much, much higher dimensions than this one....i. really don't like being here, to be perfectly honest.

Podcast (Tad): (laughter)

Winston Shrout: But in any event, I contracted for certain things and I will keep my contract. And so these things that I am doing is just simply a part of the things I committed to do sometime ago.

Caller #2: Great job at it, and I hope that you can [unintelligible] because I'm right behind you 100%.

Winston Shrout: That's great.

Podcast (Tad): All right.

Winston Shrout: I really appreciate it.

Podcast (Tad): Well thank you very much. Okay, so, let's see, we've got South Carolina, you're next.

Caller #3: First of all, I'd like to say it's an honor to be speaking with you. I've been following your teachings and doing my own due diligence on them, and it's been very helpful in my way.

Winston Shrout: Great.

Caller #3: Um, I did have a question for you though. Um, let's say if you were to have something like a lien set up on someone and you actually have a court order dismissing all the charges...um, as educational purposes, um, would you think to go the public or private route forward?

Winston Shrout: Well, lemme discuss that. Are you talking about a commercial lien from the private sector?

Caller #3: Well yes, I did a commercial lien on the private side because of the property, and they violated my rights with the contract and a contract was in place, you know, on top of that contract being in place, I ended up fighting it in court and the judge dismissed all of the charges in my favor and the judge knew the lien was in place.

Winston Shrout: All right. Well, that's natural that they would do that, but again, the commercial liens on the private side and a public official cannot dismiss that; and so the commercial lien is still in play. I mean...

Caller #3: Yes.

Winston Shrout: It does not go away.

Caller #3: It's interesting because um, a copy of the agreement was sent out to the Secretary of State and they sent back a blank UCC1 financing statement.

Winston Shrout: (laughter) Really?

Caller #3: Yes, really.

Winston Shrout: [unintelligible]

Caller #3: And the number wasn't as close as your numbers are, reportedly, but uh, it was, it was, it's, it's a very high number.



Winston Shrout: Well, you know the commercial lien process has been a very, very valuable technique. I did...

Caller #3: Yes sir.

Winston Shrout: I did not invent it. Actually, I learned that technique from a man named Harper Vandyke, and he used it very successfully in many endeavors and so forth and so uh, you know, because I'm in the position of being an educator and stuff like that, I'm kinda the guy that made it popular. But again, that's uh Harper's technology and I've simply just uh spread the information around to facilitate that. But it's, it is very good technology. We've used it very successful, successfully in many instances to resolve problems and so forth; and again, it's kind of an extreme thing that we do, uh, but it does have good affect.

Caller #3: Oh yes sir it does and I just wanted to say thank you very much! Thank you very, very much!

Winston Shrout: (laughter) Okay.

Podcast (Tad): Thank you very much for calling. Okay, so now we go to Oregon. You're next. Your phone unmuted. Go ahead Oregon.

Caller #4: Hi Tad.

Podcast (Tad): Hey Genevieve.

Caller #4: Genevieve here. (laughter) Hello Winston, this is Genevieve.

Winston Shrout: Hello.

Caller #4: You said earlier something about May 1st will be the wrap-up date...

Winston Shrout: Yeah.

Caller #4: ...and what does that refer to?

Winston Shrout: Uh, I suppose, uh, that it has reference to the complete takeover of the, by the new government; maybe Tad I can just real quickly rehearse what has been done and what is being done?

Podcast (Tad): Yeah, go for it.

Winston Shrout: Yeah, it goes all the way back to the Civil War. A lot of people don't understand that the whole country has been under military occupation ever since the Civil War. Uh, the, it, the, the war has been mislabeled. It was not a war between the states. It was a war of the Federal government against the states. And so as a result of the things that went on there, the whole country came under military occupation and we've operated that way since. Now some of you, perhaps, have listened to Drake Bailey and Drake had been involved in this for a very long time, but uh, also myself, uh probably about seven or eight years ago, one of my high-level CIA sources told me that the US Army had, in fact, created a full-blown interim government and they were stationed in West Virginia. So, uh, and they were simply there waiting until such a time that it would be necessary for them to step forward. At this point in history, they had stepped forward and then, there was a certain amount of concern that, they were worried that the people might think that this is a military coup, you know, that could (laughter) that's nowhere close to it. It's not a military coup. In fact, a correction. So, they went into operation near the start of 2015 and there are certain things that had to happen in order to be recognized as a valid government. Number one, they had to create a national currency, but they lacked gold. They did not have any gold with

which they could comply with Basel III and so there had to be some things done, and so in consequence of that, the Chinese elders along about April of 2015, leased 100 billion in gold to the new republic and they also gave them 385 billion in cash for operational expenses. Now these are things that I know about. I was informed of these things by my friend in the international. He said, "Okay, here's what's happened." All right. Now, now that they had the gold, so they could create a new currency that would be Basel III compliant, they moved forward and they created what, what is known as treasury reserve notes. These, these particular instruments are for use at the government level. They are not on the street. However, they had been trading in the international, uh I mean, they were being traded in Europe all through the summer and Japanese stock markets 4X and everything. They were trading on them in the fall, so we know it's valid, so we know it's good currency. Now, for the money on the street, the money that you and I would be using, they have created what's known as United States notes, much like what President Kennedy had created way back in 1963. Some of you who've studied their history know what I'm talking about. So in any event, those currencies will be the currencies that will come out and be used to facilitate the changeover, and they are being used. They're already in the banks. We had been really surprised that they have not instituted those same...that they haven't released those funds already, but I see the wisdom in what they're doing. So when this interim government first entered the picture, it was said that General Carter Hamm would be the interim president. Then

they run into certain road blocks, most of which were centered with the problems in the Pentagon. They overcame those problems and so at that point, Marine Corps General Dunford, semper fi out there for all you Marines, but in any event General Dunford was selected to be the interim president because he was in fact, he was appointed by congress to be the joint chief. They got rid of Martin Dempsey finally, thank God for that, but in any event, General Dunford did fill the roll at that point as the interim president. And then they got to thinking, apparently, and so they changed course a bit and they went back and referenced what had happened with the Nixon administration. Some of you old enough to remember that, remember Nixon and Spiro Agnew came in...

Caller #4: Oh yeah.

Winston Shrout: Who came in as the president and vice president, and then Agnew got convicted or got some felonies thrown at him, so he stepped down. They brought in Nelson Rockefeller. Apparently Nelson passed away from unknown causes (laughter). In any event, so, so what they did to fill the vice presidency was they called in the Speaker of the House, Gerald Ford, because he's third in line, so that when Nixon stepped down, we would have an, a, we would, we would have an unelected president, we have President Ford, and that's what I'm building up to here is given a little bit of comprehension about how some of these things have worked. So anyway, at this juncture, Dunford has stepped down from being the interim president and he's going to fill the slot as the vice president, and then guess who's going to be the interim president? The Speaker of the

House. You see, we have the president, yeah, we have the president already in our history, so hopefully the people would not think that there's something amiss with what's going on here; and so we have that with us and, so that's, that's, that's the lineup. Now, I did watch, I was hoping he would make announcements. He did not make any announcements, but Paul Ryan, Speaker of the House, did, in fact, make a speech the other day to a bunch of young people there, and I was hoping he would make announcements. He did not, but what he did do, I watched him, is (laughter) you gotta understand the psychology of what's going on here folks. What he did was he started out his speech, which only lasted I don't know, maybe 15 or 20 minutes, but he started out his speech and would talk about this or that, and then he reached into his coat pocket, he pulled out a pocket version of the constitution, just like all the patriots carry around...

Caller #4: (Laughter)

Winston Shrout: ...he pulled out that pocket version of the US Constitution and held it up to the young people to see. He held it up high so they could see what he had in his hand. And then he said, "I took an oath for this constitution", and he said, "and I will honor my oath." Now that was a (laughter), that was unexpected to say the least (laughter). But in any event, he made that point, and that was an important point to make, and so I could see the psychology of what he was doing there, even though he didn't make any particular announcements about the new republic, he did demonstrate to those young people that in fact, he was going to honor his



oath that he had made to the constitution. Now that's a very significant event. Very significant. I, I was ever so proud of him for doing that. So, we do have, uh, things, uh, changing. We have things on the more and so forth, the result of which will be very beneficial to the American people. We have a new government and for those of you who understand the SARA act of 2000, that will in fact begin to be executed upon with this new administration. So we have, we have great prospects here of things to come.

Caller #4: Is the new government that's coming in associated with RUSA?

Winston Shrout: Not that I know of.

Caller #4: [unintelligible]

Podcast (Tad): Okay. But hey listen, we do have some other people that are waiting.

Caller #4: Okay.

Podcast (Tad): Okay. (laughter)

Caller #4: But wait, wait. There's a follow up to, the reason I asked that question was to get to my next question.

Podcast (Tad): Quickly please.

Caller #4: So, if things are going to change quite radically it sounds around May 1st, does that mean that the status correction to become American nationals and UCC filings to become secured party creditor are kind of mute now?

Winston Shrout: Absolutely not.

Caller #4: Huh?

Winston Shrout: The thing that we're going, the commercial redemption, will stay the same. The only problems that you won't have to deal with is IRS and tax problems. [unintelligible]

Podcast (Tad): What about corrupt judges?

Winston Shrout: They'll be gone. When the bar...

Podcast (Tad): [unintelligible]

Winston Shrout: When the Bar Association, which I did, when you take down the Bar Association, then all the attorneys will either have to renounce their bar oath, you they take an oath at the Bar, which is actually the Temple Bar in the City of London. So, so they will have to either renounce that and become lawyers, but they can't be attorneys anymore. So, with those changes on the horizon, we expect to see, you know, very, very good results.

Caller #4: Okay, so, so keep doing the status correction and the secured party creditor stuff?

Winston Shrout: Yeah, uh, uh again, those are on the commercial side. Commerce, listen, commerce rules the planet. I don't care what country you're in. Commerce rules the planet, not some law from some country and all those kind of things. And so, so all the things that you are learning about in commerce and with commercial redemption, accepted for value and all those kind of things, they stay the same even though we have a new currency. The only difference between our new currency and the Federal Reserve note is that our new currency will not be used at interest. The new currency is substance backed and a lot of people, I don't c...all the

crazy stuff out here in the Internet, the Federal Reserve notes were always backed by gold, they always were, and the only problems that came from the use of the Federal Reserve notes, which was in fact an international currency, the United States was the only country on the planet that did not have its own national currency, slight we were using Federal Reserve notes as our currency, but every time we used it, there was interest attached to it which created what people call the national debt. It's not a national debt, it's a federal debt. So in consequence of those things, we've had this millstone hung around our neck through the use of Federal Reserve notes. Now the new currency that comes out is going to be exactly the same variety of instrument with the exception that there is no interest attached to the use of it. Does that kinda make sense?

Caller #4: Okay. So, so...

Podcast (Tad): All right.

Caller #4: So the treasure will actually have some money that we are dealing with now?

Winston Shrout: The new treasury is located in Nevada on an Indian reservation.

Caller #4: Huh?

Winston Shrout: Yep.

Caller #4: Okay, well...

Winston Shrout: [unintelligible] Indian reservations have free trade zones.

Caller #4: Okay, well I've, of course I have more questions, but Tad, I know you're chomping at the bit, so I'll get off.

Podcast (Tad):       Yep, we do. We've got a lot of people.

Caller #4:            I know.

Podcast (Tad):       All right. Thank you.

Caller #4:            Thank you so much, both of you.

Podcast (Tad):       You bet.

Caller #4:            Goodnight.

Podcast (Tad):       Okay, Pennsylvania, you're next. Pennsylvania, you're phone just unmuted. We can hear you. Go ahead. Okay? Guest 72 with your phone unmuted, it's your turn. Guest...

Caller #5:            Did you say West Virginia.

Podcast (Tad):       Yeah, go ahead. I said you. Go ahead.

Caller #5:            Oh, okay. Yeah. Hey Winston, how's it going'?

Winston Shrout:      Pretty good.

Caller #5:            Right on. Hey um, all of this UCC and status correction under commerce and all that you've been propounding, I was wondering if you actually knew how it is actually based upon the 14th amendment, and could you run us through the words, because I've got a nice neat little write-up here that I did where I could connect the 14th amendment and uh, person, and a corporation and all, tie all of that together and then tie it to people that call themselves US citizens and US nationals and American nationals, etcetera?

Winston Shrout:      Okay. Lemme, lemme start out this explanation with the following, and that is, one of the reasons why, or one of the results of, of what I've done as an educator to help build self confidence in people, and, and, one of

the things I keep seeing, you know, is in so many people, because of the way they've been trained and all of those kinda things, actually lack, lack in self confidence and as a consequence of that, then they feel threatened. You know, the big government comes in and threatens people and puts them into fear.

Caller #5: Mhmm.

Winston Shrout: And fear is your worst enemy.

Caller #5: Oh yeah.

Winston Shrout: And so, like I always tell people, paper does not work. People work. And so we simply use paper as a crutch when we're interacting with the powers that be, and so we try to hold them to their system, which many times they don't pay any attention to, obviously. But in any event, one of the main results of education is that people gain a certain amount of self confidence in themselves. If paper is needed to create that crutch, that's okay. But when you're healed, then you don't need that crutch anymore, and so, but one of the goals that, certainly as an educator, that I've tried to instill in people is that self confidence so they can stand on their own, and that's what I hope to be able to accomplish.

Caller #5: Yeah, but people love socialism. Americans love being socialists. We love our socialism. We have to have it. That's why nobody wants to get rid of the social security number, which is the identification number used to identify persons, and like it says in the 14th amendment, section one, all persons, person being the key word there, born or naturalized in the United States and subject to, subject to being another key legal term, to

the jurisdiction thereof are citizens, another key legal term, citizens of the United States. Right? So then they took the word person, right there, and connected it to citizen. Now a person is a citizen, right? All right. Well...

Winston Shrout: [unintelligible] (laughter)

Caller #5: Well, they went and got subject to, well subject to means liable or subordinate or subservient, inferior, obedient to, governed or ruled, affected by, right? So now what are they saying there? All persons who are born and naturalized in the United States are ruled by the jurisdiction thereof and are, well, subject, subject to, subjects of the United States. The United States has only three definitions and they're all congress, congress and congress. Okay?

Podcast (Tad): Okay, so can we maybe kind of get quicker to the point here?

Caller #5: Oh yeah. Yeah. Um, well the point is that what you're doing, Winston, is you're telling these people to step out of being US citizens, federal level, and step over to being US nationals, or American nationals, which is, which is the same exact thing, and they're still corporations and they're still using a social security number and they're still part of the federal government. The federal government is defined as a union of nations. You're not bringing them into the nation, you're [unintelligible] federal government, flying on the same shit they've been on this whole time.

Winston Shrout: Yeah, again, you know, the, you are what you say, you are what you say you are and you, they try to obligate people because people are not educated and so myself and yourself, and all the ones on this call, are



apparently educated at least to a certain level and so then we try to act on those things and try to encourage people around us to do the same thing. But, I see your point and you're preaching to the choir here 'cause I think you and I see eye-to-eye with this pretty much, so...

Caller #5:

Well, all they've really gotta do, all folks really gotta do is go look up National Mutual Insurance Company of the District of Columbia versus Tidewater Transfer Company, 337 US 58293L and 1556 from 1948 and it says right there, United States citizens do not equal and article 3 court, which is the courts of justice, the natural ones that come out of the US constitution. All US citizens are governed under Article 1 courts, created by congress, which is the illegal de facto government. It's not the de jour that we're supposed to be under and yes Winston, I'm speaking to you on your level because I'm your equal. I'm not your subordinate. I'm not one of your students. I started about a year before you did and I know as much as you do. I started with GPG. I do corporate. I understand commercial law. But I also understand correction of status and you're wanting these people to stay at federal level when they might start claiming their nationalities at state level, not at federal, at state, because according to oh my God, according to the United States government printing off style manual, subsection 5.23, "in designating the natives of the states, the following forms will be used" and it's speaking directly of nationalities, and it lists all of the states right there. Okay? Those are nationalities. Federal is not a nation. Federal is federal. It's a federation. Like the Kung Federation.

Podcast (Tad): All right. Well, let's let him respond. So Winston, you have anything you wanna say about that?

Winston Shrout: Well yeah. We, we did have the problem after the Civil War, then certainly in 1933 when the money changed over. It caused real problems on the basis that it was impossible from that point on to contract unless you used gold or silver and so with, with the change in money, we had the change in administration, we had to change in government and so forth, and you're right, I mean, I'm not disputing at all what you're saying here and I, I do understand, certainly, about the states' rights. I mean, for crying out loud, you know, my grandfathers fought in that war on the side of the South for states' rights, so I understand very much what you are saying here. So the question is, is how do we go about restoring the states' rights and the only way that we can do that certainly is to get rid of the federal government, and that's what exactly what's happening here with the institution of this new interim situation here. So, we've got our eyes fixed upon that, certainly the purpose, one of the purposes of this whole operation right here is to get back to constitutional government, so that's what the effort has and is being done right now. And so when that happens, then if we can successfully negotiate all of that, we will go back to states' rights, and uh, so, I'm, you know, I'm with you on it. I've got absolutely nothing against what you said.

Caller #5: Well...

Podcast (Tad): So, well we do have some other people that are waiting, so I have to kinda cut this short.

Caller #5: Okay. Well Winston, I'm glad that you and I can see eye-to-eye on some things, but factually, there is a route out and it is to drop the US citizen feder - all those contracts. All those contracts. They are commercial. You need to get rid of them. You need to rescind them. Tell the US government to keep their stuff, you know?

Winston Shrout: I think you need to revoke them, not rescind them.

Caller #5: Well, revoke and rescind, yeah well, it all, I guess it all comes down to which specific definition you're wanting to use.

Winston Shrout: Yeah.

Podcast (Tad): All right. Well hey, thank you very much for calling in. We appreciate...

Caller #5: Thank you and it had to be done.

Podcast (Tad): Major Thrash, you're next.

Caller #6: Hi, well...

Podcast (Tad): And don't, and don't be thrashing on Winston either.

Caller #6: I'll try not to.

Podcast (Tad): (Laughter)

Caller #6: It, it sounds like the federal government is...

Podcast (Tad): Hey, wait a minute, wait hey, are you on a speaker phone?

Caller #6: I'm on Skype.

Podcast (Tad): Well, get close to the microphone cause we are having a hard time hearing you.

Caller #6: All right. Well, if the federal government is going to be, sounds like, giving up some power, um, what I'd like to know, Winston, your opinion, is what's going on with the southwest states, particularly like the Guadalupe

states. Are we gonna, is there a possibility of us possibly losing some of those southwestern states?

Winston Shrout: Why, why would we lose them?

Caller #6: Well, I was just wondering. I heard there was, that that treaty, there might have been some flaws in that and with the federal government possibly giving up some of their power, is would there be a possibility of the states saying "hey, you know, we're stepping out and we got an opportunity...?"

Winston Shrout: Let...yeah, let me answer that from the following, and that is, if you go back to the very start and you notice the intervention that was accomplished by St. Germain. St. Germain was the individual that caused the people, at the signing of the Declaration of Independence, he ordered them to go forward and sign that. Now, there is a term, which is incorrectly used by the way, but there is a term which is known as, the people call it manifest destiny, but that's not the right word. You, you have to go scriptural to actually put a good definition on this. But in any event, the United States does have a mandate on this planet and so, uh, in regards to your question, would we lose any of these, any states because of the Treaty of Guadalupe at [unintelligible] 1:11:52 all that kinda thing. No, they, they will still be 50 states. Now that's a significant number and I would have to go, with a lot of background, to explain why that is, but to answer your question, no, we're not going to lose any because they will all be included and they always will be.

Caller #6: Okay, well then how about, what's your opinion on this north American union? Is that going to be continuing forward? Are they going to be pushing for that, or is that now kinda done?

Winston Shrout: That's now done.

Caller #6: Okay. That's it. That's all I had. Thank you.

Podcast (Tad): All right. Thank you very much. Um, central Minnesota, you're next. Your phone unmuted, it's your turn. In Minnesota, your phone unmuted, it's your turn.

Caller #7: Yes, how you doin'?

Podcast (Tad): Yes, go ahead.

Caller #7: I had a question for you. I keep hearing you use the scripture and I also have heard you speak about how D.C. has unincorporated themselves. Is that correct?

Winston Shrout: Yeah, it was in the newspaper back east. I saw the newspaper. That's the only announcement that I ever saw of it.

Caller #7: Right. So, are there any suggestions that you have for us to kinda protect ourselves and commerce as we operate on a daily basis? You know, you hear people talking about rescinding the social security number. Is there any protection for a body of people utilizing, you know, unincorporated entities and things of that nature?

Winston Shrout: No.

Caller #7: [unintelligible]

Winston Shrout: Okay, the purpose of this new government is a rollback to constitutional government. Now, what does that mean? I mean, if we're talking about a

rollback to pre-Civil War federal takeover of the country, what does that mean? And so, so think about that. I, I think, you know, there's a lot more that can be said about it certainly, but in any event, I don't believe that you're going to be in any kinda danger anyway. I mean, we're going into a rollback on the problem and so when we get the restoration of the new government, if you want to call it that, it's actually not the new government, it's the old government that's been restored; and so, I don't think you're going to run into any kind of problems, you know, in that context.

Caller #7: But, shouldn't the goal be for us as individuals to get out of the corporate states and it sounds like you're saying get back to the laws of nature and what governs us in our natural state, so we should be, in a sense, trying to get back to divine law on a daily basis. Correct?

Winston Shrout: Yeah, I believe that would be the best avenue for people to take. Again, like, you know, I don't want to be accused of preaching here, but if you go back into the King James version, it seems fairly accurate in many respects in as much as the lawyers and so forth came to Jesus and asked him about the law and all that kinda stuff. And what did he say? He said there are only two laws, and that is to respect or love God, your creator; he said number two was to love your neighbor as yourself, and he said, all the law and the prophets hang on those two things. Now, if that's the case, if, if all the law of the prophets hangs on those two things, then that's the law. That is the law, and so, if we're, if we are practicing the, what's called "the golden rule", if we're practicing the golden rule,



then we are in conformity to how our creator would like for us to perform. And so again, without preaching and at times people accuse me of that, but, but it's what we have. It's what we have to work with and so, uh, uh, all of these other things, uh, uh, constitution, laws, statutes at large, all the other countries have all of their laws and precedents and all these kind of things; if they conformed with those two things that Jesus indicated, then that's a good law. If it does not conform to those two things, then it is a bad law and needs to be removed. So, so, if you kinda, you know, set your attention onto that particular thought process there, I think you'll be okay.

Caller #7: Perfect. I agree and thank you.

Podcast (Tad): All right. Thank you very much sir. Okay, we have our last caller of the evening, or last question of the evening and after this, you guys stick around, I have a little announcement to make, and so this is important stuff and I'm glad Winston's here to tell us what he's telling us, because we've got something that's going to be in line with what he's saying. Central Iowa, your phone unmuted, it's your turn.

Caller #8: Hi, this is John.

Podcast (Tad): Hey John.

Caller #8: Yeah just real quick. I had a mortgage problem back in 2013. I was going through, I decided to go through creditors in commerce. They had me do a couple bonds, very large amounts, and then the did work, but what ended up happening is I had the IRS come at me from left field. Just out of nowhere. I didn't even know if they were related or not, but

they came at me out of nowhere. So anyways, I ended up getting involved with a couple guys, Daniel and Josh from SecuredPartyCreditors.com, and they set me up. They told me what happened was the IRS basically was jealous, (laughter) in a sense, about the bonds, the large bonds that were submitted, and they set me up with a fee-off process. Now, it worked and the, not only that, my mortgage got offset, but I was wondering if you were familiar and had you considered it? I'm not sure if it even applies to your situation or not, but a fee-off process, have you consider that, or is that something that's not applicable to your situation?

Winston Shrout: Well, I'd have to look at it and see what it is. I'm not familiar with what you're doing, so you know, I really can't comment on that.

Caller #8: Okay, are you familiar with Daniel and Josh at all?

Winston Shrout: Uh...

Caller #8: Over there at Secured Party Creditors?

Winston Shrout: Uh, uh, do you have their last names?

Caller #8: Daniel Stevens. I know he says, I think they're familiar with you. I don't know if you're familiar with them or not.

Winston Shrout: Yeah probably they're familiar with me. Listen, I don't know everything and certainly, I'm not a guru, and if other people have processes and so forth that they can make work, I'm all for it [unintelligible] again, I'm....

Caller #8: Yeah, [unintelligible]

Winston Shrout: not really...huh?

Caller #8: I said, well, it, it worked and was interesting. Sorry to interrupt.

Winston Shrout: Great. Great. Great. Hey, if it worked...my, my statement is if it ain't broke, don't fix it and it sounds they've got something there that works pretty good, so uh, I...

Caller #8: Yeah, well I guess my main question is do you think the IRS got jealous over something you did, being that maybe you submitted large amounts and they kinda, kinda wanted their share. Do you think that could've been something that happened?

Winston Shrout: [unintelligible] You have to go ask, you have to go ask the IRS. I don't know how them people think. (laughter).

Caller #8: Okay (laughter). All right. Well thanks so much.

Podcast (Tad): All right. Thank you.

Caller #8: Appreciate the time. Yeah, bye.

Podcast (Tad): All right. So you guys in line with what Winston says and with that last caller, we have our own secure party creditor and status correction coach at youhavetheright.com and coming up really soon, keep an eye out for youhavetheright.com because we're going to be holding another course here in proper UCC filings on how to be a creditor and to take care of certain issues such as taxes and ports situations. So, you guys be sure to check that out. Winston, I was almost ready to go, but somebody from east Maryland raised their hand. Can you take one more question?

Winston Shrout: It's up to you.

Podcast (Tad): Sure. Let's do this. All right, go ahead Maryland.

Caller #9: (crackles)

Podcast (Tad): Oh, that's not good.

Caller #9: Yes, I'm wanting to...

Podcast (Tad): We hear you.

Caller #9: Yeah. I wanted to ask a question about a mortgage. If I had the numbers correct, 12USC1901.508, it talks about the, it talks about a note being disch - well, a note being passed over to the Federal Reserve Board for cancellation, that note being a mortgage note and in reference to, I think, 28USC or CFR, oh, I'm sorry, the first one is CFR, 7CFR1901.508 and the other one is 28USC411. They take the notes and they homogenize, or they, they uh change them into securities and sell them on the market. Is that illegal?

Winston Shrout: Uh, okay. Uh, err, are, are you asking is it illegal, or are you asking is it unlawful?

Caller #9: Unlawful.

Winston Shrout: Yeah, it's unlawful.

Caller #9: Okay.

Winston Shrout: Is it illegal? The answer is probably not. First of all, you have to understand that the United States code was written by attorneys for their benefit and so when you start to talk about, you know, how, how they do things and how they handle stuff, uh again, the whole process was created by attorneys and you should know how that works out. So, in regards to a lot of the situations which you run into with some of these difficulties and so forth, so the question is always, you know, will they abide by their own statutes and codes and they very seldom ever do anyway. So, we're always faced with that same difficulty when we deal

with these people in as much as they simple don't even abide by their own statutes and codes, unless there are debts in it. So, uh, if you can force them to abide by their own codes and so forth, you would probably have some success with that. If you can't, you know, get them to abide by their own rules and regulations and so forth, you're simply up against a wall. So, uh, uh, in that regard, just, you know, keep plugging along at it. Like I say, in regards to these mortgages, you know, you need to go and listen to a lady, uh, I think some of you probably have; a lady called Catherine Austin Fitts, wherein she talked about the money being siphoned off from the mortgage foreclosures by the secret space, the black ops, with the secret space people; and uh, they do, they do that, and they have done it and most of the debt [unintelligible] certainly of the people in the country. But in any event, going with what she had to say, because perhaps it will explain many things that heretofore have been unexplainable. [unintelligible]

Caller #9: Could you....

Winston Shrout: You know, when we started fighting all of these mortgages and stuff and took them into the court, even though we had, even though we had it locked in, according to the statutes and codes, unifor..the US code and everything, surprise, surprise, you know, (laughter) the judges would simply rule against us. And we kept scratching our head wondering why that is. Well the reason why it is, is again, because they don't even abide their own statutes and codes and then, in the background, the money

from the mortgage foreclosures and so forth was being siphoned off by the black ops people who run the secret space program. [unintelligible]

Caller #9: Could you sp....

Winston Shrout: [unintelligible] what...huh?

Caller #9: Could you spell the last name of the lady again?

Winston Shrout: Yeah, her name is Catherine Austin Fitts, F I T T S, and her position had been she was one of the assistant directors, I think, of HUD and the FHA and so forth, when she started to try to audit, the uh, uh, the agencies and stuff, she came upon all kinds of things that really caused great alarm and when she went to investigate where the money actually had gone to, she found out. So, so it's not just being able to go into court and properly speak your piece (laughter). What're you going to do against the, uh, uh, these operators of the, uh, secret space program. This is crazy stuff folks.

Caller #9: (Laughter)

Winston Shrout: Really crazy stuff. And so, you know, we've come up, we've come up against a lot of this and you know, some of it didn't work out good, and so we just have to keep plugging along at the best we can. In the instance of this one gentleman who spoke a moment ago where they did that certain operation with the creditors in commerce, it seemed to work. Would it work the next time? We don't know, because the whole thing is so capricious that you can't predict one day to the next how things are going to turn out. Th - you know, this is crazy stuff we've been dealing with here. So you know, just a word to the wise, you know, there's 50



ways to skin a cat (laughter) and sometimes the problem is holding that cat down so you can get it skinned.

Caller #9: Huh.

Winston Shrout: [unintelligible] you probably have run into that problem. You go to court for instance, you've done everything right, your paperwork is all correct, you know, and you say, I've got it locked down now, and the first thing you know, the judge says "nope" and there you are. You're right back to the same problem. And so, will the, will the courts abide by their own rules and regulations to that question; and in far too many instances, they simply will not, and so then Catherine found out why it was that they would not. Because the, a lot of the money was being simply siphoned off by the secret, whatever you call it, space program. So we've got all this crazy stuff going on and there's a lot of things in the background that absolutely make no sense to us, you know, when we go and try to, you know, fix some of these problems and whatnot, and so it's unpredictable how things are going to work out. So it would be, certainly, important, you know, for people that are trying to work some of these mortgages and some of these other things out, is to have one or two backup plans because you don't know what these dirty buggers are going to do. It's totally unpredictable.

Caller #9: Well Winston, will that black ops program disappear in May?

Winston Shrout: Uh...

Caller #9: What I mean - let me put it another way. Will the, the a criminal element in that, I don't want to say, for lack of a better term, the criminal element,

meaning the nondisclosure of it, the oversight of it, will that change?

Because there is really no oversight except for that group that's selected to even know about it.

Winston Shrout: Uh, I would probably say that no it will not disappear, but for this reason; which is that we actually need that program. Okay, I have to go into space to explain this to you, Tad, if you've got a few minutes, I will explain it.

Caller #9: Well Winston, let me clarify it. I know it won't disappear because it exists...

Winston Shrout: Yeah.

Podcast (Tad): Well...

Caller #9: ...and it's real, but I mean the...

Podcast (Tad): I, I think, allow me to clarify. I think what he's saying is yes, the program is still going to be there, but it's going to be controlled by the good guys and not the bad guys.

Caller #9: Yeah, that's what...yeah, that's what...yeah, right.

Podcast (Tad): Okay.

Caller #9: Okay.

Podcast (Tad): Okay.

Caller #9: Yeah. Right. Okay.

Podcast (Tad): So, based on that Winston, was there something more that you wanted to say about that?

Winston Shrout: Yeah, uh...

Podcast (Tad): Yeah, go for it.

Winston Shrout: I've done a great deal of study about this. Some of you may perhaps have listened to an individual on the Internet called Captain K. That's actually, that's Randy [unintelligible] name. Anyway, I've come to have an opportunity to visit with Randy, Randy Cramer is his real name. Anyway, he explained a lot of things to me about the space program and why its necessary. Now, do you have to divide it down between the good guys and the bad guys? Because there are some criminal elements involved in that. For instance, the Dick Chaney, uh, the international corporation that's mining on Mars is actually Dick Cheney's corporation. And then you have the US Marine Corps special section that was actually put in place to guard the interests of that mining corporation and that's who Randy was working for when he was on Mars. And so, uh, so, in regards to the question, "will that go away?", I would have to suppose not. Uh, on the basis that we actually need a space-based program, but we do not need the space program in the hands of those, you know, like Cheney and Paul [unintelligible]. So, I would suspect probably that more of these things will be revealed. There's a lot going on, I mean, if you really want to get into this and start, you know, looking at it pretty closely, I think I would go back and start with the information that was put out by Dr. Frank Stranges where he talked about the visitors in the Pentagon, the stranger in the Pentagon. On the basis that we have had intervention on the planet all along, uh you know, human beings on this planet are transplants, who can, you know, we've been here under certain circumstances and so forth all along and so, so when you start to talk

about, you know, you know, can we do this or that, you know, you just have to realize that entities or just call them people, because their people, they're our space cousins and so forth. They do have a vested interest in the outcome of things that transpire here on the planet, and they do intervene, and they, they go to work, they do this, they do that to make things right. We have, watch, just watch, let me put it that way, just watch what goes on because there are some major, major, major, major events which will happen and are happening even as I speak. Uh, for instance, NASA, uh it was about, I don't know, about three months ago, there was some entities that came into the planet and nobody knew where they came from, that kind of entity had never been on this planet ever before, according to the people, you know, that know those kind of things; and so they were trying to figure out what it was all about until about a month ago or so. NASA, you know, the US space program, located out in the universe there somewhere, a huge black hole and they didn't know what it was or what the circumstance was going to be with it, but low and behold, a huge, a huge ship came through that black hole headed for our solar system. And then checking with....I put this in front of James Gilliland, I said, do you know what that is? He said, well, he said it appears to be an 11th dimension ship and the entities that are on that ship are 11th dimension entities and, and James didn't know why they were coming. Now, I have speculated on why I think they're coming and I might be dead wrong; I might be dead wrong. But in any event, we have these things going on basically all the time around us and so we're just trying to figure

out how does that equate to events here on the planet. But, 2016 is a significant year for the planet. The planet is actually coming up in frequency, which is immeasurable, and they do measure that. The ultimate destiny of planet earth is to be a 7th dimension planet, and in consequence of that, you know, the people, you and I, we have to accommodate that change and if we don't accommodate that change, then the consequences to us individually will be very significant. So, aside from all of this crazy commerce stuff, you know, and money, and all these things, you know, that we've been working with to try to get some kind of sanity about us with the things that go along on the planet and so forth, the planet has an ultimate destiny and we need to go along with it, the consequences being that if we do not, then we will no longer be - if - put it this way, if you can't accommodate the frequency of the planet as it changes, you can no longer be here. That's, that's pretty heavy stuff. I realize it is kind of heavy to think about the consequences that might come to us in the event that we don't move up in our frequency. So, aside from all of this talk about commercial redemption and UCC filings and all that kinda stuff, the main, uh, result that - lemme say this as an educator - the main result that I have seen through my efforts in this regard is to, is to promote people to a higher spiritual dimension and have we accomplished that; and the answer is yes. When I first started out in 2004, that's [unintelligible] commerce, I mean, down to our present time, and I've been at this over 11 years now, but I have seen the change in the receptibility of people to the information and it has been a good change.

And so, so we have uh, uh, we have all of these things going on and, and, you know, I am very much encouraged. I am very, very much encouraged by the progress that we, we the people, are making in this respect and I believe, I believe that we have, that we will accomplish what it was that we came onto this planet to accomplish and those that are not, those that do not keep up with the proper frequencies and change their lives, if they don't change their life, they will simply be removed from the planet. Now that, that's kind of a hard thing to have to say, but I believe that that is exactly the circumstance, you know, that, that we're having to deal with. So be...

Podcast (Tad): Okay, so...

Winston Shrout: ...be encouraged. Be encouraged. Uh....

Podcast (Tad): Well...

Winston Shrout: [unintelligible] up your frequencies.

Podcast (Tad): On that note, if somebody is not encouraged, would you be willing to respond to a negative comment.

Winston Shrout: I'll respond to any comment.

Podcast (Tad): (laughter) "There's another lie. There is no mining on Mars. Just wait until May and either nothing happens or nothing good happens and ya'll realize that Shrout is a liar. Let me guess. Here we go with the repeat of the Drake Bailey lies, aliens will be taking everyone to their planet for safety in two weeks."

Winston Shrout: I don't know what Drake had to say, but it's very evident to me that the events that are transpiring on the planet are being orchestrated by people



who are beyond the planet. When people ask me, Winston, you know, who is it that you're doing all of this for? And I come right back with St. Germain is my boss and I do his bidding. And one, one of the first things that people have to understand about this commercial redemption, the first thing that I saw when I first started studying commercial redemption was you have to understand it from a metaphysical point of view and if you can't comprehend it from a metaphysical point of view, you're simply not going to get it.

Podcast (Tad): Okay.

Winston Shrout: So, I have tried to emphasize that particular situation over and over again, uh you know, with some good results and some not so good results, but you ha, you simply, you have to go spiritual. We are in a spiritual awakening and, and certainly the efforts we've made, uh, to, uh education and all those kind of things are so very essential to that awakening because...here's the thing, we have been under serious mind control. I don't think anybody would disagree with me on that. We have been under serious mind control and so how to you break that? How do you break that down so that you get out of that cycle? You know, all it takes and what I've seen, uh you know, in the things that I've done, is, is that if I can give people one new way to look at a situation, then they can start to break through that mind control cycle that they've been trapped in and so, like I say, once we get past the 100th monkey, once we get into infusing into the collective consciousness, the principle, not the details, but the

principles of commercial redemption and so forth, it goes a long way to helping people...

Podcast (Tad): Well...

Winston Shrout: ...break the mind control.

Podcast (Tad): Another question on the board. Somebody wants to have St. Germain's phone number and email address.

Winston Shrout: Okay, go for it.

Podcast (Tad): (laughter) I think they're asking you (laughter). Um...

Winston Shrout: I work with St. Germain in the ether.

Podcast (Tad): Ah.

Winston Shrout: We make plans about what needs to be done and because I'm in the third dimension, then I'm the guy that has to go and carry it out.

Podcast (Tad): I think somebody's asked you, who is St. Germain?

Winston Shrout: Well, we don't have time for all that.

Podcast (Tad): Okay.

Winston Shrout: But, he's, he's one of the ascended masters who has a great deal of concern about the outcome of things here on this planet and he is in fact the individual in our, in our history that they call him the old professor and he's the one that demanded that those generalized there at the declaration, at Independence Hall, step forward and sign that document. So, he's always had a concern. He's always been involved in, uh, in our situation here. So...

Podcast (Tad): Well...

Winston Shrout: ...that's who it is.

Podcast (Tad): You talked about the 100th monkey. I did some research on that project and it was touted as being monkeys that learned to do something one way on an island and then somehow got transferred over to the other island where the other monkeys started doing too, and that's, the research I've done shows that that is false - that is not, that was not the way that the study turned out.

Winston Shrout: It depends on which archeologist you talk to.

Podcast (Tad): Okay.

Winston Shrout: (laughter) 'nough said.

Podcast (Tad): 'nough said. Okay. Uh, you know what, we do have one other person who's waiting, but you know what, we've been on for almost two hours.

Winston Shrout: Yeah, we, we probably ought to knock it off, but again...

Podcast (Tad): Okay.

Winston Shrout: ...people should be encouraged of the changes that are coming about. We have a new government. We have a new country. We have new prospects. We have new opportunities. And the efforts that have been made by everyone to accomplish this have not gone unnoticed; so everybody needs to be proud of the effort that they have made to get this thing set straight and I applaud everyone who has had a hand in that, who has stepped forward in whatever, you know, whatever degree of effort and so forth, you've been able to accomplish, my hat goes off to you because of what you have done.

Podcast (Tad): Well thank you on behalf of everybody that's muted. (laughter) Appreciate that. So, Winston, thank you very much for being on here

tonight. And, I just want to give one final reminder this call is being put on by youhavetheright.com. Please go check it out. Um, keep an eye out for some of our status correction tools and training that will help with this changeover. Winston, thank you very much, and hopefully we will have you back on again at some point.

Winston Shrout: If it's convenient, we can do that again.

Podcast (Tad): Okay, great. All right everybody, thank you for joining and good night.

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Joann Beckling  
President  
ProtransLV  
ph#(702) 328-5348 (cell)

DATE: May 3, 2016

**ATTACHMENT I**  
**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

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Portland, Oregon

Winston and The WSSIC Team invite our members to join us for this year's very special **Members Only Event** at The Grotto in Portland, Oregon.

This venue offers a uniquely personal and intimate setting for interacting with Winston, and we are pleased to be returning for the eighth year in a row. For those of you who did not join us last year, The Grotto is a gorgeous sanctuary that is seemingly hidden from the surrounding bustle of the city. Carved into a basalt cliff, The Grotto offers visitors a serene environment for quiet reflection and enjoyment of the Pacific Northwest's natural beauty.

Be there as Winston offers new insight on the current and future events in commerce, and hear the lectures he's created based on our Members' frequently asked about topics. Get your questions answered directly! You definitely will not want to miss this exciting installment of Winston's 2018 live lecture series.

Registration includes a continental breakfast and full lunch on Saturday & Sunday.

Because this venue is so unique and intimate, space is limited to a set number of attendees. To ensure your attendance, please register as soon as possible.

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**ATTACHMENT J**  
**United States v. Winston Shrout**  
**3:15-cr-00438-JO**

**E-mail dated September 26, 2018**

Government's Sentencing Memorandum

Attachment J, Page 1 of 1

**Wexler, Stuart A. (TAX)**

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**From:** W [REDACTED] S [REDACTED] <w [REDACTED]@scl [REDACTED].law.com>  
**Sent:** Wednesday, September 26, 2018 1:26 PM  
**To:** Wexler, Stuart A. (TAX)  
**Subject:** Winston Shrout

Mr. Wexler -

In all likelihood, you are already quite aware of this, but – well, Shrout may be too old|sick|incompetent to be sentenced, but he doesn't let it affect his scamming.

<https://www.wssic.info/2018-members-only-event-new-gardener-membership-tuition-package/>

- W [REDACTED] S [REDACTED]